1981 ANNUAL REPORT

GIVING USA

A compilation of facts
and trends on
American philanthropy
for the year 1980

A publication of the American Association of Fund-Raising Counsel, Inc.

James J. Biggins, Chairman
Charles R. Feldstein, Vice Chairman
John J. Schwartz, President
E. Burr Gibson, Secretary
Roger H. Wilson, Treasurer

Fred Schnaue, Vice President-Public Information
Marie M. Medeo, Office Manager

In 1935, nine established professional fund-raising counseling firms serving leading community funds, colleges, universities, hospitals, churches and character-building agencies joined in forming the American Association of Fund-Raising Counsel, Inc. Their primary purpose was to bring order into a field that was disorganized and, in some instances, misunderstood and distrusted. Their first act was to adopt a code of fair practice, which has stood the test of time and is now widely accepted as a standard for professional conduct in fund raising. Today, each of the member firms and associate members of the Association operates according to this code.

The Association seeks to carry out the following program:

- To maintain high standards of ethics and professional techniques in fund-raising counseling.
- To study and identify economic and social trends in American philanthropic areas, and to share this information with the general public through publication of surveys; an annual review of philanthropy called *Giving USA*; and a newsletter, the *Bulletin*.
- To foster and encourage professional training in fund-raising techniques.
- By example, and through strict adherence to the Association's code of practice, to discourage unethical and unprofessional practitioners.
- To provide a center of information on philanthropy which is made available to related groups, such as state and federal legislatures, nonprofit institutions and agencies, and students, and others engaged in studies of philanthropy, as well as to the general public.

The Association answers inquiries of state and local governments and assists, on request, in developing laws regarding the raising of funds. It thus aids in protecting the public against fraudulent practices.

The Association welcomes requests for information on any aspect of philanthropic fund raising and for data regarding the services of its members. As in other professions, relations between the professional fund-raising counsel and the nonprofit institutions or agencies served are confidential.

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GIVING USA

26th Annual Issue

A compilation of facts and trends
on American philanthropy for the year 1980

American Association of Fund-Raising Counsel, Inc.
500 Fifth Avenue, New York, N.Y. 10036
(212) 354-5799

GIVING USA

A publication of the American Association of Fund-Raising Counsel, Inc.

The material in this issue was written and edited by Fred Schnaue; research was conducted and the production was supervised by Marie M. Medeo.

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Council on Foundations, Inc.: Edward C. Thompson
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THE CHAIRMAN'S LETTER

We may live in a world where daily functions rely heavily on computer chips, cathode ray tubes, and rocket ships, where mail is sorted by less than human means, and even sandwiches are vended by machines. But Americans are still people who care for each other.

That is evidenced by the fact that in 1980—a year when our people, and even our business corporations, were staggered by an eroding economy—contributions to charitable organizations designed to improve the quality of life in these United States reached a new record of $47.74 billion.

The total was more than double the amount contributed by individuals, corporations and philanthropic foundations just eight years earlier, and it exceeds the national budgets of many of the world's nations.

Charitable contributions during 1980 averaged 10.2 percent above the total achieved in 1979, but for the second consecutive year the overall increase fell short of meeting inflation.

As a result, the nation's charitable organizations were not able to do all they would have wished to, but they continued to be the bridge between those who can afford to give and those who need the help that giving purchased.

The charitable community cannot, however, afford to rest on its accomplishments; nor to wait idly with the hope that the nation's economy will turn around and thereby create a climate for increased giving and a greater ability to deliver services.

For, if anything, 1981 and the years after that will bring an even greater need for the services delivered to people by nonprofit institutions and agencies.

For many years Americans have joined with their government in bringing aid to their less than fortunate neighbors through gifts to the more than 300,000 organized charitable organizations. And while the aid could not have been accomplished without the charitable contributions, the major share was paid by government.

That is now in jeopardy. Government is seeking to cut back on a good portion of the money it grants each year to such areas as private research, education, culture, and social welfare, to name just a few.

Experts agree that America's people, corporations and foundations cannot compensate—through increased contributions—for the anticipated losses from government. They can make up part of the loss, but not all of it.

But even in order to do just that, charitable institutions and agencies must increase their efforts to raise more funds, and at the same time, be given a better climate in which to seek those funds.

Part of that environment would be created by enactment of a number of bills on the federal level—one designed specifically to boost charitable contributions by allowing all taxpayers, be they itemizers or those who take a standard deduction, to exempt their gifts to charity from federal income taxes. That alone would result in more than $5.7 billion in additional annual contributions.

There are a number of bills designed to recognize the value of time given to charities by their volunteers—the individuals who enable an organization to deliver its services economically and effectively. Their passage would result in more volunteers, at a time when they are desperately needed.

There are measures pending in a number of states that would enable charities to eliminate some of the costly administrative burdens they face within the majority of states and thereby free funds for program use.

And finally, there is need for greater cooperation by the charities themselves—through their umbrella organizations—which will result in a better climate for philanthropy in the United States.

Most observers of the philanthropic community can see the courting of that better climate resulting in a marriage—not a marriage of convenience, but one of necessity, where the needs of people and the ability to fill those needs by other people meet and result in a better quality of life for all America's citizens.

Chairman
American Association of Fund-Raising Counsel

PHILANTHROPY 1980

Total Giving 1980 • $47.74 billion

Individuals . . . $39.93
Bequests . . . $2.86
Corporations . . . $2.55
Foundations . . . $2.40

Individuals . . . 83.7%
Bequests . . . 6.0%
Corporations . . . 5.3%
Foundations . . . 5.0%

Religion . . . $22.15
Education . . . $6.68
Health & Hospitals . . . $6.49
Social Welfare . . . $4.73
Arts & Humanities . . . $2.96
Civic & Public . . . $1.36
Other . . . $3.37

Religion . . . 46.3%
Education . . . 14.0%
Health & Hospitals . . . 13.6%
Social Welfare . . . 10.0%
Arts & Humanities . . . 6.2%
Civic & Public . . . 2.9%
Other . . . 7.0%

America's citizens, corporations and foundations contributed a record $47.74 billion to charitable organizations during 1980, an increase of 10.2 percent from year earlier levels.

Individuals, rocked by a 12.4 percent increase in their own cost of living during 1980 on the heels of a 13.3 percent rise in 1979, contributed 83.7 percent of the total last year, or $39.93 billion. That represented an increase of 9.7 percent from the amount contributed by individuals in 1979.

Bequests received by the nation's charitable institutions and agencies totaled an estimated $2.86 billion, or 6.0 percent of all giving. It is believed that bequest giving increased by more than 28 percent. When bequests and individual giving are lumped together, they constitute 89.7 percent of all gifts to charitable organizations.

The country's business organizations, which experienced a decline in overall profits during 1980, increased their giving and donated a total of $2.55 billion. The increase was small—less than five percent. Nevertheless it came during a year when business, like other segments of the economy, failed to achieve any real growth. As a portion of all philanthropy, corporate giving represented 5.3 percent, the same as in 1979.

Philanthropic foundations gave a total of $2.40 billion to charitable institutions and agencies during 1980, an increase of 7.1 percent from the 1979 level. Foundation giving was boosted by a $105 million grant, believed to be the largest single gift in the history of philanthropy. Overall, foundation giving constituted 5.0 percent of charitable giving during the year, a slight decline from the 5.2 percent it represented in 1979.

During 1980, as in every year for which there is any kind of documentation, giving to religion was far above that to any other segment of philanthropy. Last year it reached $22.15 billion, or 46.3 percent of all charitable giving in the United States. Nearly all of it came from individuals.

The organizations, agencies and institutions in the education community received an estimated total of $6.68 billion in charitable contributions during

1980, or 14.0 percent of the total—a little higher percentage than in 1979. The overall total given to education was influenced by the $105 million given by the Emily and Ernest Woodruff Fund, Inc., to Emory University.

Giving to the health and hospitals category increased last year by 9.0 percent and reached $6.49 billion. Significant increases were reported by some large national health agencies and hospitals, while others posted smaller rises or none at all in contributions. Overall, giving to the health and hospitals category accounted for 13.6 percent of all philanthropy, about the same as in 1979.

There was an 8.7 percent increase in contributions to organizations involved with social welfare, bringing giving to that segment of philanthropy to $4.73 billion. The largest social welfare organization in the nation, the United Way, had record contributions of $1.5 billion. As a portion of all giving in 1980, contributions to social welfare organizations equalled 10 percent, the same as in 1979.

The arts and humanities category received a total of $2.96 billion in 1980, an increase of 9.6 percent from the 1979 figure. At 6.2 percent of all philanthropy, arts and humanities organizations received the same portion of the total in 1980 as they did a year earlier.

Giving to civic and public institutions and agencies rose to $1.36 billion last year and represented 2.9 percent of all charitable dollars. The increase was 9.6 percent and reflected substantial giving by the nation's corporations and foundations.

There was a total of $3.37 billion donated to the "other" category of philanthropy—a mix of organizations involved with foreign aid and technical assistance, international activities and education, and foundation endowment. The overall increase in giving to this category was 14.6 percent, and it was influenced by the resettlement of Cuban, Haitian and Indochinese refugees and aid to disaster-stricken areas, including southern Italy which was devastated by an earthquake, and a famine in Somalia.

SOURCES OF PHILANTHROPY

Giving by INDIVIDUALS

Americans contributed $39.93 billion to the more than 300,000 charitable organizations in the United States during 1980, an increase of 9.7 percent from the $36.39 billion given a year earlier.

As a portion of total philanthropy in the United States, giving by individuals equalled 83.7 percent. A year earlier, individual giving equalled 84.4 percent of all philanthropy.

The American Association of Fund-Raising Counsel said giving by individuals in 1980 equalled 1.84 percent of the nation's personal income for the year, which the Department of Commerce reported to be $2,160.2 billion.

Individual giving as a percent of personal income was the lowest since 1956, the Association said, when it was also 1.84 percent. Giving by individuals as a portion of personal income reached its highest level ever in 1970, 1.99 percent. In that year individuals donated a total of $15.92 billion to charitable organizations.

The AAFRC attributed the drop in giving as a portion of individual income solely to inflation in 1980, which the government's Bureau of Labor Statistics said was 12.4 percent. That was the second-highest rate since the end of World War II.

The increase in living costs in 1980, combined with the 13.3 percent rise in 1979, caused—according to some national nonprofit groups that traditionally receive the bulk of support from individual gifts—some individuals not only to be more selective in their charitable giving but to a certain extent to curtail giving.

This was because for the most part charitable giving is made from discre-

Charitable Deductions, Itemized Returns

Income	Itemized Returns with Charitable Deduction	Amount (000)
Under $5,000	210,659	$ 95,318
$5,000–$10,000	1,325,160	692,824
$10,000–$15,000	2,588,156	1,385,207
$15,000–$20,000	4,205,721	2,249,819
Over $20,000	15,647,734	15,261,138
Totals	23,977,430	$19,684,306

Source: Individual Income Tax Returns, Preliminary Statistics of Income, 1978

Income Tax Deductions of Individuals for Philanthropy

Taxable & Nontaxable Returns

	Returns with Itemized Deductions	Adjusted Gross Income (000)	Deductions for Contributions (000)	% of Contributions to Adjusted Gross Income	Average Gift
1960	24,083,263	$181,131,130	$ 6,750,326	3.73	$280
1962	26,451,105	212,753,691	7,516,088	3.53	284
1964	26,909,591	244,070,127	8,326,986	3.41	309
1966	28,560,191	291,424,691	9,122,491	3.13	319
1968	32,030,231	368,917,506	11,138,925	3.02	348
1970	35,430,047	448,698,849	12,892,734	2.87	364
1972	26,983,663	436,050,751	13,217,956	3.03	490
1973	28,047,409	486,287,027	13,895,720	2.86	495
1974	29,725,923	546,062,014	14,960,838	2.74	503
1975	24,635,851	532,421,346	15,426,157	2.90	626
1976	24,404,446	580,308,046	16,710,718	2.88	684
1977	21,528,197	592,104,529	17,266,462	2.91	797
1978	23,977,430	(Not Available)	19,684,386	(N/A)	820

Source: Statistics of Income, Individual Income Tax Returns, Internal Revenue Service

tionary income—or money left after food, clothing, housing and fuel costs have been paid. And with increases in virtually all of those areas during both 1979 and 1980 there simply was not that much left to become "discretionary income."

But while individuals did not increase their overall charitable giving at the same rate that inflation eroded the value of the dollar, they appeared to realize that the nation's troubled economy also created problems for America's charitable institutions and agencies.

And as a result, some actually increased beyond the national average of 9.7 percent the amounts they contributed to a variety of causes.

In examining the results of just one national agency—the United Way—it is obvious that people generally re-

Median family incomes before and after direct federal taxes and inflation 1970-1930

	Median family income[a]	Direct Federal taxes			After-tax income	
		Income tax[b]	Social security	Total	Current dollars	1970 dollars[c]
1970	$ 9,750	$ 964	$ 374	$1,338	$ 8,412	$8,412
1971	10,314	937	406	1,343	8,971	8,601
1972	11,152	985	468	1,453	9,699	9,006
1973	11,895	1,100	632	1,732	10,163	8,884
1974	13,004	1,271	761	2,032	10,972	8,639
1975	14,156	1,179	825	2,004	12,152	8,768
1976	15,016	1,408	878	2,286	12,730	8,683
1977	15,949	1,472	933	2,405	13,544	8,649
1978	17,318	1,732	1,048	2,780	14,538	8,653
1979	18,645	1,803	1,143	2,946	15,699	8,398
1980	19,950	2,028	1,223	3,251	16,699	7,976

[a]Median income for all families with one earner employed full time, year round as reported by U.S. Department of Commerce, Bureau of the Census, for 1970 to 1978; 1979 and 1980 estimated by Tax Foundation.

[b]Married couple filing joint return, two children.

[c]Adjusted by consumer price index of Bureau of Labor Statistics. Source: Tax Foundation Inc

sponded to an increased need.

While overall the United Way estimated its contributions to be up 7.4 percent to $1.530 billion in 1980, compared with 1979's $1.425 billion, many campaigns came in above expectations.

In both Flint and Pontiac, Michigan—where unemployment because of poor performance of the nation's automobile industry is among the highest in the country—campaigns showed increases in 1980 over the previous year.

The Louisville, Ky., campaign area had nearly 10,000 fewer employees in 1980 than 1979 but an increase of 11.1 percent was still noted in the 1980 campaign.

Those who had jobs there had increased their giving by as much as 20 percent to make up the difference created by the unemployment.

Communities less affected by economic setbacks showed unprecedented increases in giving to United Way campaigns. In Santa Clara, California, home of the booming electronics industry, giving increased by 18 percent over 1979.

A campaign in Brazoria County, Texas, concluded with a 27.8 percent increase, while in other parts of the country giving rose by 19 percent in Winston-Salem, N.C., 10.1 percent in Dallas, 18.6 percent in Houston, 10.1 percent in Denver, 10 percent in Indianapolis, 10.6 percent in Richmond, 14.2 percent in Seattle and 13.3 percent in Madison, Wisconsin.

To some degree, individual giving was boosted by a very gradual switch to itemized tax returns.

The Internal Revenue Service told the American Association of Fund-Raising Counsel that with increases in the amounts Americans pay each year

Itemized Contributions by State, 1978

State	Contributions	
	Number of Returns	Amount (000)
United States, total	23,939,571	$19,691,249
Alabama	346,892	346,282
Alaska	49,269	46,123
Arizona	320,309	245,435
Arkansas	135,260	164,794
California	3,371,891	2,575,118
Colorado	385,263	254,389
Connecticut	377,631	309,577
Delaware	70,559	64,965
District of Columbia	82,023	79,532
Florida	792,412	791,114
Georgia	463,848	447,948
Hawaii	125,567	72,185
Idaho	83,891	101,858
Illinois	1,274,703	1,030,314
Indiana	441,248	387,645
Iowa	297,125	206,185
Kansas	241,311	204,957
Kentucky	284,873	215,607
Louisiana	288,582	284,621
Maine	76,830	43,814
Maryland	657,956	483,900
Massachusetts	710,440	441,614
Michigan	1,241,539	872,753
Minnesota	567,652	366,324
Mississippi	173,180	188,060
Missouri	470,463	428,145
Montana	75,061	47,234
Nebraska	132,445	116,862
Nevada	98,407	70,737
New Hampshire	80,504	43,309
New Jersey	916,419	677,695
New Mexico	93,592	84,936
New York	2,455,230	1,812,493
North Carolina	509,347	470,171
North Dakota	44,637	37,951
Ohio	991,787	796,832
Oklahoma	238,026	274,784
Oregon	286,379	200,978
Pennsylvania	1,083,628	937,674
Rhode Island	89,493	54,843
South Carolina	269,998	291,588
South Dakota	41,432	36,406
Tennessee	304,539	322,790
Texas	988,964	1,179,896
Utah	180,806	274,659
Vermont	36,137	22,163
Virginia	578,702	464,815
Washington	377,116	292,872
West Virginia	69,396	74,426
Wisconsin	624,825	370,553
Wyoming	35,321	36,410
APO/FPO	10,294	12,219
Puerto Rico	1,860	4,296
U.S. citizens abroad	32,509	28,396

Source: *Internal Revenue Service, April 1981*

for interest on such things as loans, home mortgages, and rising state income taxes, there has been a rise in the number of taxpayers electing to file itemized returns.

It was shown in a comprehensive survey made a little more than a year ago that those who itemize federal tax returns give approximately three times as much to charitable organizations as those in the same income bracket who take a standard deduction.

The latest firm data on individual giving available from IRS is for 1978 and it shows that 27 percent of all taxpayers itemized charitable contributions totalling $19.7 billion, an increase of 14 percent from the amount donated a year earlier.

The IRS said its preliminary figures show that 28.6 percent of all taxpayers filed itemized returns in 1979 and it expected that percentage would be either the same or slightly higher for 1980 tax returns.

In examining historical data, the number of itemizers reached a peak in 1970 when 35.4 million, or 46 percent of all taxpayers, used 1040 forms. But two years later—after the standard deduction had been increased—the total filing itemized returns declined by 8.4 million persons.

The total number of itemizers again began to climb in 1974, but with another Congressionally-mandated increase in the standard deduction, it fell in 1975, causing the loss of another 5.1 million taxpayers to the standard deduction. Then, 29.6 million, or about 29 percent of all taxpayers, were itemizing deductions.

Geographically, residents of California appeared to give more to charitable organizations than those of any other state. There were 3,371,891 individual returns filed in that state in the latest year of record and they accounted for total contributions of $2.58 billion.

New York State residents were next, with a total of 2,455,230 itemized returns and $1.81 billion in contributions.

Giving by **BEQUEST**

In 1980, Americans bequeathed a total of $2.86 billion to charitable organizations and institutions which represented 6.0 percent of all charitable giving for the year.

The total was 28.2 percent higher than the $2.23 billion left to charitable organizations by individuals in 1979, the American Association of Fund-Raising Counsel said.

The Association based its estimate on a sampling of bequests of $1 million and more. During 1980, the Association tabulated a total of $61.1 million in large bequests, which was 78.2 percent higher than the $34.2

million counted in 1979.

A number of large national health agencies also reported an upswing in bequests received last year.

Preliminary reports from at least a dozen agencies showed that more than half of them had bequest income totaling over $77 million in 1980, an increase of 20 percent from the $64 million the same agencies received from bequests during 1979.

This increased support was received against a backdrop of unprecedented events bearing on the nation's economy.

Chronically high inflation, record interest rates, heavy unemployment and a volatile stock and bond market were all a part of the events that unfolded in 1980. These factors, in turn, hampered the abilities of charitable organizations to attract major capital-enhancing gifts and pledges which are frequently paid immediately or in installments over several years.

As a means of offsetting these problems, a trend is developing among charitable organizations where many are attempting to implement "life income programs"—sometimes referred to as "deferred giving" programs—as a way of attracting and building their endowment resources.

When properly planned, a donor of a deferred gift receives income payments for a designated period and an immediate charitable contribution deduction for the remainder interest which will later pass to the charity.

The gift is made to a "pooled income fund," a "charitable remainder trust," or a "charitable gift annuity."

The Tax Reform Act of 1969 made provision for the charitable remainder trusts, as well as modifying the then-current forms of deferred giving agreements.

It now appears that Congress' intent to further stimulate charitable giving by providing tax incentives for these charitable transfers is having a beneficial effect on the nonprofit organizations, especially those capable of encouraging them.

As evidence of the increasing popularity of deferred giving, IRS figures through 1978 indicate that a total of $2.30 billion has been placed in charitable trusts and other forms of deferred giving agreements.

Although this money is not currently available to meet the needs of charitable organizations and institutions, the amount is significant because it represents new funds that will become available to charitable organizations in the future, primarily for endowment purposes.

Charitable Bequests
A Historical Summary

Year of Filing	Number Returns Filed	Total Gross Estate (Millions)	Value of Charitable Bequests (Millions)
1959	55,685	$11,648	$ 668.9
1961	64,538	14,622	950.8
1963	78,393	17,007	876.0
1966	97,339	21,936	1,309.5
1970	133,944	29,671	2,132.1
1973	174,899	38,869	1,998.1
1977	200,747	48,202	2,993.9

Source: Internal Revenue Service, U.S. Treasury Department

Large Bequests—1980
Donor/Amount/Recipient

Mr. & Mrs. James L. West—$12 million to *Texas Wesleyan University*

Walter W. Lechner—$5 million to *Texas A&M University*

Katherine Ordway—$4 million in art to *Yale University Art Gallery*

Peter Kiewit—$3.5 million to *Eisenhower Medical Center*

C. C. & Mabel L. Criss—$3 million to *Creighton University*

Peter Kiewit—$2.5 million to *Clarkson Hospital*

Dudley Schoales—$2.5 million to *Cornell University*

Mr. & Mrs. Homer T. Hirst—$2.4 million to *Bishop Whipple Schools*

Arlen G. Swiger—$2.3 million to *West Virginia University*

Katherine Ordway—$2 million to *Yale University Art Gallery*

Mrs. Boyce A. Gooch—$2 million to *Southwestern at Memphis*

T. Cecil Whitmarsh—$2 million to *Westminster College*

Joseph F. Gunster—$1.5 million to *University of Scranton*

Herbert F. Johnson—$1.5 million to *Cornell University*

James P. Wilmot—$1.5 million to *Nazareth College of Rochester*

Lois Smith Rogers—$1.5 million to *University of Rochester*

Henry R. Ponder—$1.5 million to *University of Iowa*

Robert Aliber & Family—$1.5 million to *Drake University*

Alta J. Blades—$1.3 million to *University of Dubuque*

Charles Ingram—$1.2 million to *Pacific Lutheran University*

Lewis Guerrieri—$1.2 million to *St. Mary's College*

Savage Gorman—$1.2 million to *University of Charleston*

Mrs. Anna Hogate Hamlet—$1 million to *DePauw University*

Homer E. Nowlin—$1 million to *Michigan State University*

Henry M. Rockwell—$1 million to *University of Texas*

Giving by FOUNDATIONS

American philanthropic foundations gave $2.40 billion to charitable institutions and agencies in 1980, more than ever before.

Giving by foundations was 7.1 percent higher last year than in 1979 and was boosted by the liquidation of two large foundations—the Emily and Ernest Woodruff Fund and the Max C. Fleischmann Foundation.

The Woodruff Fund made what is generally believed to be the largest single gift in the history of philanthropy—$105 million—to Emory University. The gift constituted all of the assets of the Woodruff family foundation and was given to Emory in the form of Coca-Cola Company stock.

The Fleischmann Foundation, established by the late Max Fleischmann who owned large gin and yeast holdings, was scheduled to have all of its holdings disbursed by July 4, 1980. During 1979 and 1980 the foundation, once the 13th largest in the country, distributed nearly $90 million.

As a portion of total philanthropy in 1980, foundations accounted for 5.0 percent, down slightly from year earlier levels.

The American Association of Fund-Raising Counsel bases its estimates for giving by foundations on a number of studies and samplings, including one it conducts each year among the country's largest private foundations.

Traditionally, this group accounts for a significant chunk of all foundation giving in the United States, even though it only includes 53 of the more than 22,000 active grant making foundations in the country.

The foundations sampled by the AAFRC reported that in 1980 they made grants totaling $779.3 million, an increase of 7.9 percent from 1979's $722.3 million. They reported assets of $15.9 billion in 1980, compared with over $13 billion a year earlier.

Each year roughly half of all foundation giving comes from those foundations with assets of more than $25 million. And while there are only 47 foundations holding assets of $100 million and more, that group accounts for nearly 30 percent of all foundation giving.

According to The Foundation Center, grants from foundations with assets of $100 million and more averaged $53,873 each and gifts from those with assets ranging between $25 million and $100 million averaged $19,680 each.

Nearly half of all foundation giving comes from what are considered to be small foundations—those with assets of less than $25 million. In the most recent analysis, this group gave a total of 185,951 grants averaging between $3,000 and $11,000 each.

Data from the Center's Grants Index—which covers gifts of $5,000 and more—disclosed an increase of a little more than 9 percent in the total value of grants given.

But that increase cannot be used as an annual rate of growth since some of the grants reported for a particular year were actually made the year before. The Foundation Center said that is caused by lags in reporting.

An analysis of the distribution of grants by subject categories contains some surprises.

It appears from the 1980 listing, for example, that gifts to cultural institutions and agencies have levelled off. While foundation grants to cultural organizations increased in 1979 by 32 percent, last year they rose by only 1.3 percent, and totaled $149 million.

In years before 1979 there were also significant increases in foundation support for the institutions in the cultural category. The question of whether the latest year is an indication of dwindling foundation interest in cultural institutions is pure speculation.

The Index shows colleges and universities to be the primary beneficiaries of foundation gifts. In the most recent breakdown, higher education

Grants Analysis by Major Areas of Funding

	1980			1979			1978			1977			1976		
	No. of Grants	Amount (millions)	%	No. of Grants	Amount (millions)	%	No. of Grants	Amount (millions)	%	No. of Grants	Amount (millions)	%	No. of Grants	Amount (millions)	%
Education	5,067	$ 313	26	4,651	$ 301	28	3,669	$222	27	3,022	$192	25	2,753	$203	27
Health	3,229	262	22	2,974	252	23	2,684	190	23	2,469	188	24	2,055	158	21
Welfare	7,201	326	27	6,046	246	23	4,859	200	24	4,592	160	21	3,774	174	23
Culture	3,081	149	13	2,921	147	13	2,139	111	14	1,989	99	13	1,781	114	15
Sciences	2,379	121	10	2,349	121	11	1,594	81	10	1,744	113	15	1,421	91	12
Religion	633	23	2	546	22	2	452	16	2	460	17	2	335	12	2
	21,590	$1,191	100	19,487	$1,089	100	15,397	$820	100	14,276	$769	100	12,119	$752	100

Source: Foundation Grants Index, 1980, The Foundation Center

Distribution of Grants by Subject Categories

Cultural Activities	Amount (millions)	%	Number	%
General	$ 23,762,428	(2)	534	(2.5)
Art & Architecture	36,277,014	(3)	498	(2.3)
History	16,876,510	(1.4)	328	(1.5)
Language & Literature	9,753,803	(.8)	227	(1)
Media & Communications	26,987,020	(2.3)	492	(2.3)
Music	23,439,983	(2)	610	(2.8)
Theater & Dance	23,697,126	(2)	602	(2.8)
Education				
General	$ 18,951,152	(2)	444	(2.5)
Adult/Continuing	9,183,695	(.8)	128	(.6)
Elementary/Secondary	36,321,496	(3)	1,053	(4.9)
Higher (General)	198,304,497	(16.7)	2,949	(13.7)
Vocational	3,670,572	(.3)	145	(.7)
Health				
General	$ 4,542,588	(.4)	116	(.5)
Medical & Health Education	63,758,605	(5.4)	553	(2.6)
Medical Care & Treatment	146,611,811	(12.3)	1,593	(7.4)
Medical Research	59,209,996	(5)	610	(2.8)
Mental Health	11,246,647	(.9)	357	(1.7)
Public Health	13,549,063	(1.1)	265	(1.2)
Religion	$ 28,718,935	(2.4)	718	(3.3)
Science				
General	$ 5,495,545	(.5)	53	(.2)
Physical Sciences	69,970,847	(5.9)	1,322	(6.1)
Social Sciences	67,977,493	(5.7)	1,182	(5.5)
Welfare				
General	$ 55,252,765	(4.6)	1,889	(8.8)
Business & Employment	25,874,641	(2.2)	810	(3.8)
Community Activities	67,820,185	(5.7)	1,507	(7)
Counseling	6,056,773	(.5)	187	(.9)
Environment & Conservation	36,616,832	(3)	587	(2.7)
Equal Rights & Legal Services	29,303,435	(2.5)	584	(2.7)
Recreation	35,808,927	(3)	718	(3.3)
Rural Development	5,459,422	(.5)	84	(.4)
Urban Development	30,299,992	(2.5)	445	(2)
TOTAL	1,190,799,798		21,590	

Source: Foundation Grants Index, 1980, The Foundation Center

received a total of $198.3 million, or 16.7 percent of the foundation gifts listed in the Index. The gift from the Woodruff Fund, of course, influenced this category.

In the overall field of education—which includes elementary and secondary schools, vocational schools, general, adult and continuing education, and colleges—foundations donated $313 million in the latest compilation, an increase of 3.9 percent from the year earlier.

Giving to health rose by exactly the same percentage, and reached $262 million. Within the health category, foundation grants designed to benefit medical care and treatment rose to $146.6 million and represented 12.3 percent of all foundation giving listed in the Index.

But grants to the welfare category—which includes business and employment, community activities, counseling, environment, and activities such as recreation, and rural and urban development—jumped dramatically last year by more than 30

percent and totalled $326 million.

In examining foundation gifts on a geographical basis, the Index disclosed that 80 percent of the grant dollars and 75 percent of the number of grants awarded originated from just eight states—California, Illinois, Michigan, Minnesota, New Jersey, New York, Pennsylvania and Texas.

COMMUNITY FOUNDATIONS

A community foundation exists to serve a local, regional or state wide area in the broadest way one can think of as a community's charitable needs. It helps to respond to long standing as well as new and emerging local needs, acts as a catalyst, a convener and an implementer in meeting emergencies, and can undertake any sort of local project under its broad charitable mandate.

The growth record of community foundations, strong throughout the seventies, took another step forward in the first year of the eighties. The Council on Foundations estimates 1980 community foundation giving at some $108 million, or a substantial twenty percent increase from the $90 million estimate of a year earlier. Total assets of some 245 community foundations are estimated at $1.52 billion, an increase of 8.6 percent from a year ago.

Community foundations seek gifts as well as make grants, and attracted more than $85 million in new monies during 1980. Although at first glance community foundations may appear to be similar to federated fund-raising programs, they are essentially different in that they encourage and manage funds which are held separately or as part of a general fund and are maintained as permanent endowments for all charitable purposes. Federated programs, on the other hand, tend to make annual appeals for funds not retained in endowment but used for the on-going support of agencies providing direct services.

According to the Council on Foundations, community foundations are more likely than foundations generally to make grants for health, education and welfare purposes. Better than 75 percent of all community foundation grant dollars are utilized in these fields. As resources devoted to efforts to achieve community aspirations and improve the quality of life, these foundations also strongly support arts and culture, civic affairs, historic preservation and local environmental concerns.

Otherwise, community foundations tend to use categories other than those used by foundations generally in describing grant programs. Grants that foundations generally might include under "science and technology" might more likely be included by a community foundation under education, health, or even civic affairs. Some community foundations may administer a few funds designated by donors for religious purposes, but as a general rule, community foundation discretionary grants are not made for religious purposes. International grant-making is unusual to say the least, although a foundation like the El Paso Community Foundation located on an international boundary will make "across the border" grants in its dealings with local or regional needs. The isolated grants of community foundations for religious and international purposes would be part of the "other" category.

Some Leading U.S. Private Foundations Ranked by Payment of Grants (000)

Foundation	1979 Grant Payments	1980 Grant Payments	1980 Assets At Year-End (Market Value)	Estimated 1980 Federal Excise Tax Liability
Ford Foundation	$109,633	$103,222	$2,782,942	$4,810
The Andrew W. Mellon Foundation	50,796	58,191	880,000	1,724
W.K. Kellogg Foundation	43,679	47,671	769,110	1,046
The Pew Memorial Trust	41,467	45,478	1,161,812	1,547
The Rockefeller Foundation	44,043	42,469*	1,000,890	1,223
The Robert Wood Johnson Foundation	39,500	39,778	1,027,531	820
The Duke Endowment	27,284	33,420	380,067	750
Charles Steward Mott Foundation	28,938	30,539	428,261	540
The Kresge Foundation	27,910	29,768	655,408	730
Lilly Endowment, Inc.	20,704	25,330	863,540	627
Rockefeller Brothers Fund	32,642	22,895	477,369	251
Alfred P. Sloan Foundation	13,141	16,734	265,649	446
Houston Endowment Inc.	13,658	15,380	250,000*	330
Richard King Mellon Foundation	12,909	14,173*	326,944*	502*
The Bush Foundation	8,303	13,525	253,575	397
The Henry J. Kaiser Family Foundation	8,968	12,270	249,954	515
The Edna McConnell Clark Foundation	11,396	11,488	211,000	312
The James Irvine Foundation	9,358	11,479	207,605	195
Moody Foundation	8,205	11,238	220,000*	255*
Carnegie Corporation of New York	13,857	10,884	346,116	674
The Vincent Astor Foundation	8,505	10,151*	55,597*	73*
Amon G. Carter Foundation	8,219	10,085	101,000	223
Surdna Foundation, Inc.	7,212	9,277	176,051	144
The McKnight Foundation	7,285	9,153	235,057	446
The Commonwealth Fund	7,605	9,013	135,118	188
The Robert A. Welch Foundation	7,333	8,989	147,433	294
Charles A. Dana Foundation	3,682	8,296	105,864	300
William Penn Foundation	6,847	7,977	100,717	104
The John A. Hartford Foundation	5,309	7,710	130,536	210
Hearst Foundations	6,420	7,554*	189,000	173
Gannett Newspaper Foundation	6,317	6,784	226,000	182
Northwest Area Foundation	6,870	6,665	112,538	114
Z. Smith Reynolds Foundation +	5,096	6,246	93,000	126*
Sid W. Richardson Foundation	5,596	6,234	110,000	350
Charles F. Kettering Foundation	6,509	5,994	77,693	124
Sarah Scaife Foundation	4,775	5,744	122,541	231
Howard Heinz Endowment	4,116	5,640	86,366	109
The George Gund Foundation	4,643	5,035	84,800	130
John Simon Guggenheim Memorial Foundation	5,081	4,927	99,855	n/a
Callaway Foundation, Inc.	3,934	4,853	86,030	160
William R. Kenan Jr. Charitable Trust	5,637	4,281	107,773	none
Charles Hayden Foundation	3,061	4,280	81,068	103
El Pomar Foundation	3,412	3,890	80,380	60
Claude Worthington Benedum Foundation	4,240**	3,494	87,477	n/a
Danforth Foundation	1,269	3,340*	77,416	85
Smith Richardson Foundation, Inc.	2,746	3,080	99,907	92
The Henry Luce Foundation, Inc.	3,447	2,624***	101,858*	79
Mary Flagler Cary Charitable Trust	2,497	2,585	67,329	87
Research Corporation	2,340	2,575	51,286	89
William T. Grant Foundation	2,445	2,084	77,154	60
The John and Mary Markle Foundation	1,529	1,852	50,800	71
Tinker Foundation Incorporated	1,817	1,667	33,621	58
Elliott White Springs Foundation, Inc.	1,201	1,376	18,043	35
Totals	$722,386	$779,397	$15,866,081	$22,224

*Estimate
**1978 Figure
***Additional $4 million set aside for IRS approval
+ Includes assets and excise taxes of two trusts

Most community foundations are classified by IRS as public charities and not as private foundations, and are accordingly exempted from the complicated and rigorous Internal Revenue Code rules affecting private foundations. As public charities, community foundations are an attractive alternative for donors considering the establishment of a permanent endowment for community charitable purposes.

Council on Foundations reported that the 15 largest community foundations have assets of $988,564,485. They received gifts totaling $36,061,955, and made grants of $77,634,680.

Giving by CORPORATIONS

The American business community contributed $2.55 billion to charitable organizations during 1980, a small increase from the revised total of $2.45 billion given to nonprofit institutions and agencies a year earlier.

As a portion of all giving in the United States during 1980, corporate contributions equalled 5.3 percent, the same as in 1979.

But the fact that corporations increased giving by 4 percent is testimony of the commitment of the nation's business community to the nonprofit sector—since during 1980 the pretax income of all businesses in the country dropped drastically.

The U.S. Department of Commerce's Bureau of Economic Analysis reported that its preliminary figures showed that in 1980 corporations had overall pretax net income of $241.2 billion—down $14.2 billion, or nearly 6 percent, from the $255.4 billion reported a year earlier.

At the same time, the Bureau of Economic Analysis issued new figures for corporate net income for years prior to 1979. These totals, which are higher than previously reported, brought corporate contributions as a portion of pretax net income down from levels that had been reported earlier.

The American Association of Fund-Raising Counsel said that corporate giving in 1980 was a new record high, despite the relatively poor performance of corporate profits.

As a portion of 1980's pretax net income, corporate giving equalled 1.05 percent, the highest since 1970. Interestingly, in that year corporate net income also declined as it did in 1980 from year earlier levels.

Because of lags in reporting data on actual contributions by the corporate

community, the AAFRC normally revises its early estimates for corporate giving.

The Association said, for example, that it was revising the 1979 total to $2.45 billion from the earlier reported $2.30 billion. The new total takes into account the results of later surveys.

Final figures on corporate giving do not become available for at least three-and-a-half years when they are tabulated by the Internal Revenue Service.

For example, it wasn't until the last half of 1980, that IRS reported American business organizations contributed $1.487 billion in 1976 to charitable organizations—or $22 million more than the AAFRC had estimated before the new data were available.

The estimate made each year for corporate giving is based on reports from key charitable organizations which traditionally receive support from the business community and on surveys conducted by umbrella organizations in the philanthropic community.

One of those studies is the Annual Survey of Corporate Contributions, conducted each year by Anne Klepper and Kathryn Troy of The Conference Board and Hayden W. Smith and Anne F. Decker of the Council for Financial Aid to Education.

The most recent joint survey covers the year 1979 and showed that education was the primary beneficiary of corporate contributions.

Of all the companies reporting, a total of $835.5 million was donated to charitable institutions and agencies, an increase of 20.5 percent in overall contributions. There were 786 companies reporting in the latest period, compared with 759 companies a year earlier.

The study showed a total of $314.8 million going to the field of education, or 37.7 percent of the total. A year earlier, the companies reported they gave $256.3 million, or 37.0 percent, to education. It was the second year in which the field of education surpassed health and welfare as the

Corporate Contributions, Two Survey Years

	1979 (000)	As a % of PTNI	As a % of Total Contributions	1978 (000)	As a % of PTNI	As a % of Total Contributions	% Change 1978-79
544 Companies Reporting Worldwide Pre-Tax Net Income in Both Years							
Total Worldwide PTNI	$149,600,000			$128,800,000			16.1+
Total Contributions	$739,400	0.494	100.0	$627,000	0.487	100.0	17.9+
Health and Welfare	254,600	0.170	34.5	227,200	0.176	36.2	12.1+
Education	283,500	0.189	38.3	236,000	0.183	37.6	20.1+
Culture and Art	74,900	0.050	10.1	64,300	0.050	10.3	16.4+
Civic Causes	85,000	0.057	11.5	72,800	0.057	11.6	16.7
Other	41,400	0.028	5.6	26,700	0.021	4.3	55.1+
376 Companies Reporting U.S. Pre-Tax Net Income in Both Years							
Total U.S. PTNI	$ 66,920,000			$ 63,370,000			3.5+
Total Contributions	$442,300	0.661	100.0	$373,700	0.590	100.0	18.3+
Health and Welfare	157,500	0.235	35.6	143,000	0.226	38.3	10.1+
Education	167,500	0.250	37.9	139,700	0.220	37.4	19.9+
Culture and Art	44,700	0.067	10.1	36,800	0.058	9.8	21.5+
Civic Causes	52,300	0.078	11.8	41,200	0.065	11.0	26.9+
Other	20,300	0.030	4.6	13,000	0.020	3.5	56.1+

Source: Annual Survey of Corporate Contributions, 1979. The Conference Board/Council for Financial Aid to Education, Inc.

Distribution of Corporate Contributions

	1979 786 companies (millions)		1978 759 companies (millions)		1977 814 companies (millions)	
Health and Welfare	$292.6	35.0%	$255.9	36.9%	$227.6	38.3%
Education	314.8	37.7	256.3	37.0	220.0	37.0
Culture and Art	82.5	9.9	70.0	10.1	53.2	9.0
Civic Activities	97.3	11.6	79.0	11.4	68.3	11.5
Other	48.2	5.8	32.0	4.6	24.8	4.2
	$835.5	$100.0%	$693.2	100.0%	$593.9	100.0%

Beneficiaries of Company Support—Companies Grouped by Industry Class

Industrial Classification	Number of Companies	Total Giving ($ Thousands)	Health and Welfare: Federated Campaigns	Health and Welfare: Other	Education	Culture and Art	Civic Activities	Other Activities
			Percentage Distribution					
Chemicals	47	$ 79,708	17.4%	12.5%	47.4%	8.3%	10.0%	4.4%
Electrical machinery	45	81,058	22.7	16.3	40.5	7.3	7.7	5.4
Fabricated metals	30	11,430	22.2	21.2	29.1	8.3	9.2	10.1
Food, beverage and tobacco	45	48,598	14.1	15.5	44.3	9.5	11.5	5.2
Machinery, nonelectrical	56	41,313	22.0	14.3	37.5	8.3	8.7	9.2
Mining	12	6,658	10.4	21.0	47.7	8.5	7.5	4.8
Paper	28	25,495	18.3	16.7	39.5	5.8	13.8	5.9
Petroleum and gas	30	118,711	9.5	9.3	47.2	13.7	13.2	7.2
Pharmaceuticals	17	34,475	9.8	17.6	38.1	3.6	16.2	14.7
Primary metals	21	27,237	24.0	19.9	37.5	6.5	5.9	6.3
Printing and publishing	17	15,323	16.2	9.4	43.4	15.3	11.0	4.8
Rubber	11	6,727	30.5	16.7	36.4	4.5	9.8	2.1
Stone, clay and glass	14	13,678	15.9	17.8	32.7	20.1	10.1	3.5
Textiles	23	11,346	12.4	29.8	42.9	4.1	6.7	4.1
Transportation equipment	24	64,813	23.9	11.9	43.5	8.4	8.5	3.7
Total: Manufacturing	420	586,570	17.2	14.2	42.7	9.2	10.5	6.3
Banking	97	54,508	28.2	14.6	25.4	12.9	12.7	6.1
Business services	17	8,237	11.5	20.0	39.0	11.4	12.5	5.4
Engineering and construction	13	5,066	14.9	36.5	30.8	4.8	6.0	7.1
Finance	10	4,973	22.6	13.4	25.3	4.6	28.2	6.0
Insurance	94	45,363	24.6	14.2	32.8	11.1	14.1	3.2
Merchandising	21	47,126	27.0	16.7	15.8	13.6	23.5	3.8
Telecommunications	25	44,653	31.9	17.5	27.7	8.6	8.3	6.0
Transportation	11	12,195	20.8	11.7	24.7	20.7	20.0	2.2
Utilities	78	26,907	34.2	17.9	26.6	7.5	10.4	3.4
Total: Nonmanufacturing	366	249,028	27.3	16.3	25.9	11.4	14.5	4.6
Total: All Companies	786	835,598	20.2	14.8	37.7	9.9	11.6	5.8

Source: Annual Survey of Corporate Contributions, 1979. The Conference Board, Council for Financial Aid to Education, Inc.

largest recipient of corporate donations.

Overall, the Council for Financial Aid to Education estimated that corporate support of higher education alone totaled $696 million in its most recent survey, compared with $556 million a year earlier.

Another study of higher education, conducted for the 60th year by Brakeley, John Price Jones Inc., showed that corporations increased gifts to 71 of the nation's colleges and universities by more than 17 percent with giving totaling $183.8 million in the most recent year.

The joint Conference Board-CFAE survey disclosed that the health and welfare category received 35.0 percent of all corporate gifts, for a total of

Contributions as a Percent of Domestic Pretax Net Income, 1979—Companies Grouped by Industry Class

Industrial Classification	Number of Companies	Domestic Pretax Net Income ($ Millions)	Contributions ($ Thousands)	Percent of Contributions to Domestic Pretax Net Income All Companies[1]
Chemicals	22	$ 3,745	$ 25,388	0.68%
Electrical machinery and equipment	19	5,179	35,402	0.68
Fabricated metal products	17	466	3,212	0.69
Food, beverage and tobacco	34	4,248	37,340	0.88
Machinery, nonelectrical	29	2,827	20,759	0.73
Mining	6	657	4,602	0.70
Paper and like products	22	2,661	18,307	0.69
Petroleum and gas	22	15,970	94,341	0.59
Pharmaceuticals	7	1,220	14,054	1.15
Primary metal industries	12	1,150	9,476	0.82
Printing and publishing	10	622	6,408	1.03
Rubber and miscellaneous plastic products	9	306	5,929	1.94
Stone, clay and glass products	9	435	3,258	0.75
Textiles	16	592	6,407	1.08
Transportation equipment	20	7,585	60,092	0.79
Total: Manufacturing	254	47,663	344,973	0.72
Banking	74	2,498	31,394	1.26
Business services	7	463	1,811	0.39
Engineering and construction	12	575	4,734	0.82
Finance	8	559	4,236	0.76
Insurance[2]	82	6,168	34,246	0.55
Merchandising	17	2,224	36,031	1.62
Telecommunications	20	9,186	32,723	0.36
Transportation	9	1,599	11,876	0.74
Utilities	76	8,308	25,721	0.31
Total: Nonmanufacturing	305	31,580	182,766	0.58
Total: All Companies	559	79,243	527,739	0.67

[1]Seven companies showing net loss included.
[2]Insurance company figures are based on "net gain from operations after dividends to policyholders and before federal income tax, excluding capital gains and losses"—the closest measure to pretax net income of corporations generally.

Source: Annual Survey of Corporate Contributions, 1979. The Conference Board, Council for Financial Aid to Education, Inc.

$292.6 million. A year earlier, the survey showed 36.9 percent of total corporate giving going to health and welfare.

For many years, the health and welfare category had been the largest single recipient of corporate contributions. What caused the shift is pure speculation at best, but the education and culture categories have gotten more corporate money because of it.

Culture and arts organizations received a total of $82.5/million, according to the most recent study, or 9.9 percent of all corporate gifts included in the sampling.

A year earlier, organizations in the culture and arts category received 10.1 percent of the total.

The concern of America's business corporations with community improvement—particularly in areas such as housing and transportation, delinquency and crime prevention, recreation, conservation, justice and the ecology—is reflected in the Con-

ference Board-CFAE study which showed a total of $97.3 million, or 11.6 percent of all contributions, going to the civic activity category. That is about the same percentage of corporate gifts as had been reported for two previous years.

Giving by corporations to the "other" category—which includes American groups whose principal objective is aid to other countries and such things as the women's movement in the United States—totaled $48.2 million in the most recent study, or 5.8 percent of all money given by corporations.

That was up somewhat from a year earlier when $32.0 million, or 4.6 percent of the total, was donated to these organizations.

Those close to corporate philanthropy believe that the competition for contributions from the nation's business organizations will increase during the next year. They attribute this view primarily to the Reagan administration's proposed cutbacks, which would reduce federal support for a number of programs currently conducted by nonprofit institutions and agencies.

AAFRC

TOTAL GIVING 1955-80

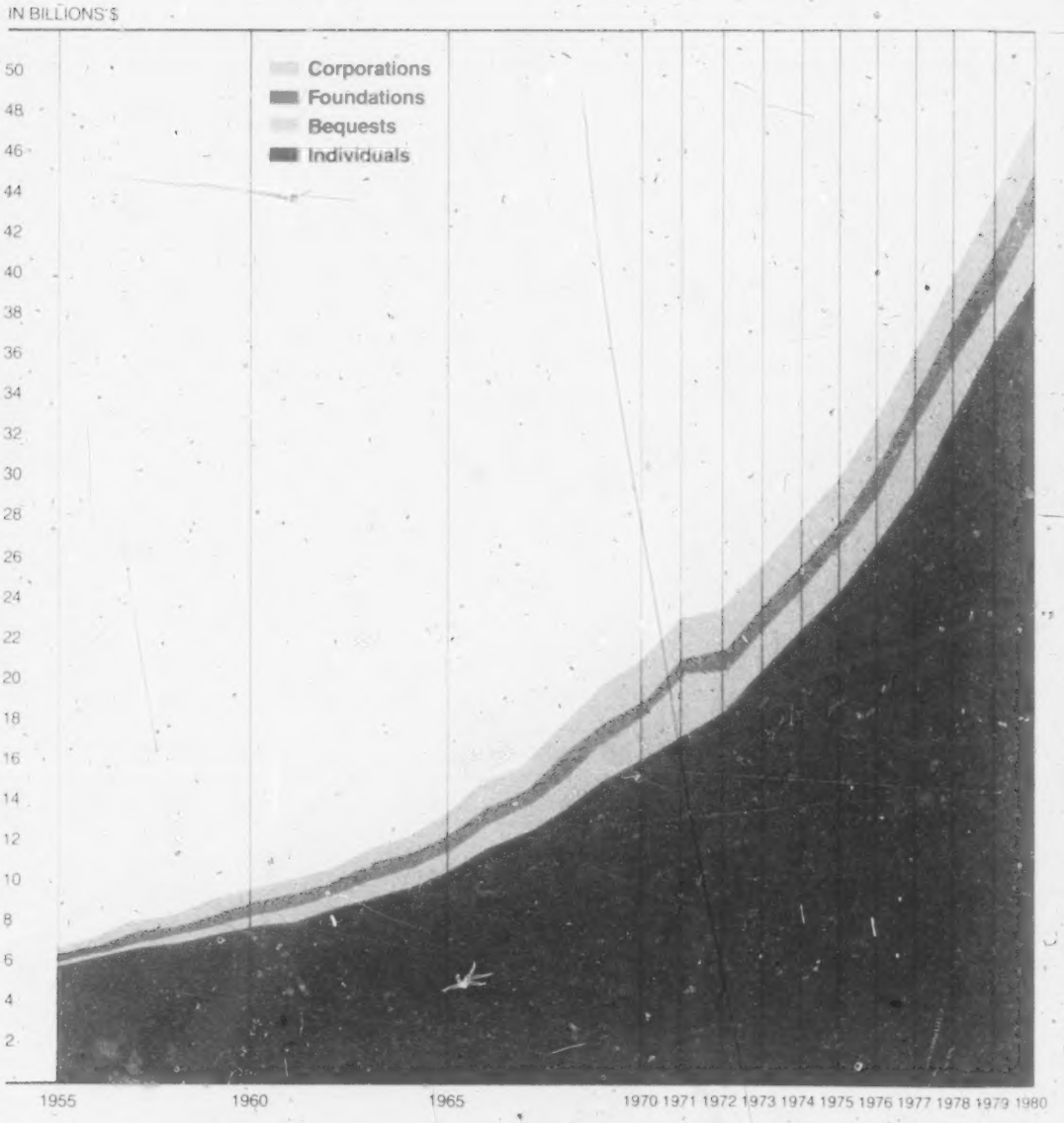
(in billions)

	Amount
1955	$ 6.66
1956	7.08
1957	7.89
1958	8.14
1959	8.95
1960	9.39
1961	9.82
1962	10.49
1963	11.38
1964	12.06
1965	13.29
1966	14.70
1967	15.78
1968	17.56
1969	19.57
1970	20.75
1971	22.84
1972	23.30
1973	25.60
1974	27.71
1975	29.68
1976	32.54
1977	36.02
1978	39.63
1979	43.31
1980	47.74

The Growth of Philanthropy 1968-1980

Year	Total Giving (billions)	Gross National Product (billions)	As % of GNP
1968	$17.56	$ 864.2	2.03
1969	19.57	930.3	2.10
1970	20.75	977.1	2.12
1971	22.84	1,054.9	2.16
1972	23.30	1,158.0	2.01
1973	25.60	1,306.3	1.96
1974	27.71	1,406.9	1.97
1975	29.68	1,499.0	1.98
1976	32.54	1,691.4	1.92
1977	36.02	1,887.2	1.91
1978	39.63	2,106.9	1.88
1979	43.31	2,368.8	1.83
1980	47.74	2,626.5	1.82

Donors


IN BILLIONS $
Corporations
Foundations
Bequests
Individuals
50
48
46
44
42
40
38
36
34
32
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28
26
24
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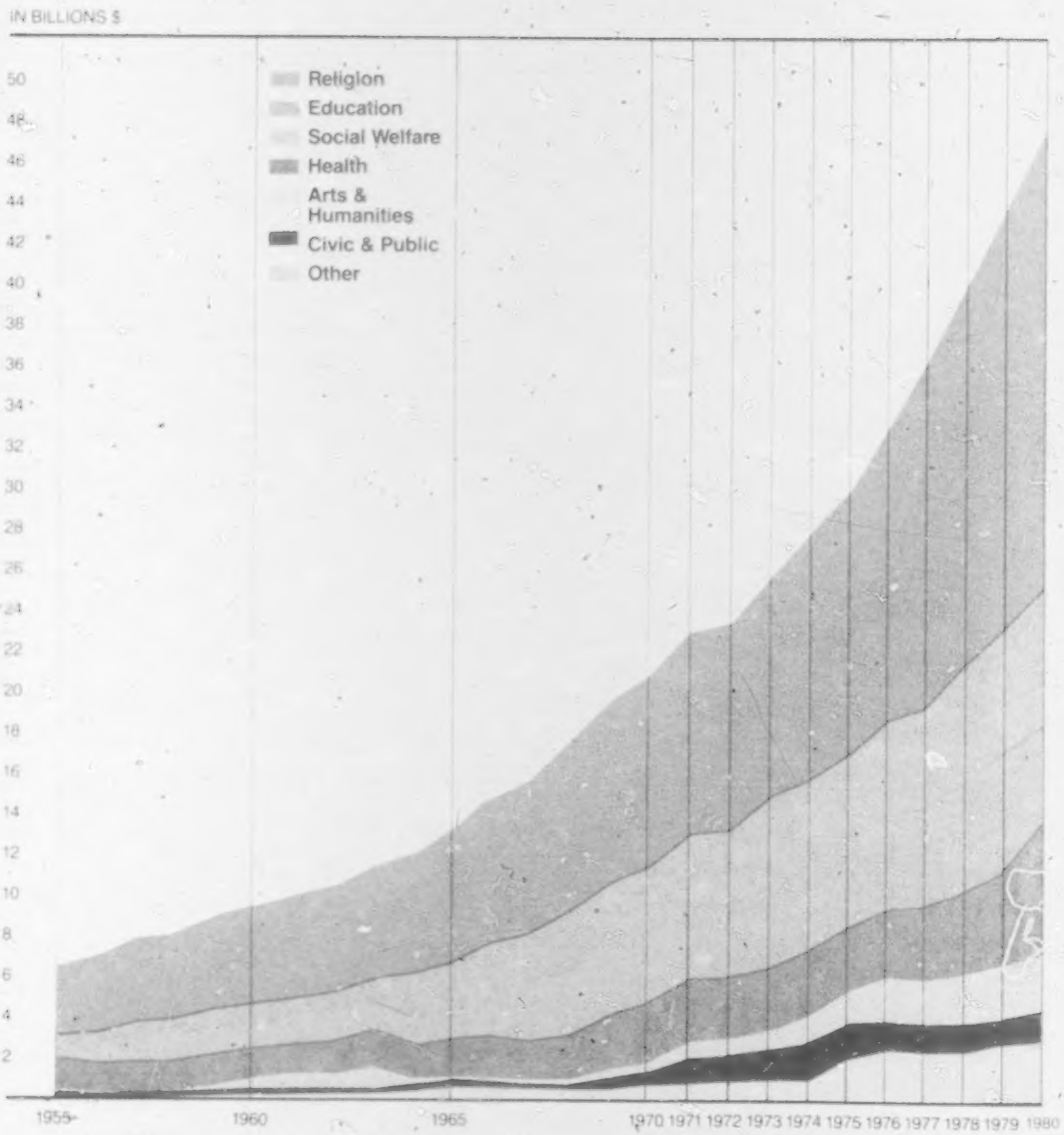
16
14
12
10
8
6
4
2
1955
1960
1965
1970 1971 1972 1973 1974 1975 1976 1977 1978 1979 1980

Corporations	Foundations	Bequests	Individuals
1955 $ .415	1955 $ .300	1955 $ .237	1955 $ 5.71
1956 .418	1956 .305	1956 .239	1956 6.08
1957 .419	1957 .502	1957 .450	1957 6.52
1958 .395	1958 .505	1958 .451	1958 6.79
1959 .482	1959 .702	1959 .512	1959 7.26
1960 .482	1960 .710	1960 .574	1960 7.63
1961 .412	1961 .702	1961 .650	1961 7.96
1962 .595	1962 .701	1962 .701	1962 8.50
1963 .657	1963 .821	1963 .880	1963 9.03
1964 .729	1964 .830	1964 .951	1964 9.55
1965 .785	1965 1.13	1965 1.02	1965 10.36
1966 .805	1966 1.25	1966 1.31	1966 11.33
1967 .830	1967 1.40	1967 1.40	1967 12.15
1968 1.005	1968 1.60	1968 1.60	1968 13.36
1969 1.055	1969 1.80	1969 2.00	1969 14.71
1970 .797	1970 1.90	1970 2.13	1970 15.92
1971 .865	1971 1.95	1971 3.00	1971 17.02
1972 1.009	1972 2.00	1972 2.10	1972 18.19
1973 1.174	1973 2.00	1973 2.00	1973 20.43
1974 1.200	1974 2.11	1974 2.07	1974 22.33
1975 1.202	1975 2.01	1975 2.23	1975 24.24
1976 1.487	1976 2.13	1976 2.36	1976 26.57
1977 1.800	1977 2.01	1977 2.99	1977 29.22
1978 2.250	1978 2.16	1978 2.60	1978 32.62
1979 2.450	1979 2.24	1979 2.23	1979 36.39
1980 2.550	1980 2.40	1980 2.86	1980 39.93

Recipients


IN BILLIONS $
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2
Religion
Education
Social Welfare
Health
Arts & Humanities
Civic & Public
Other
1955
1960
1965
1970 1971 1972 1973 1974 1975 1976 1977 1978 1979 1980

	Religion	Education	Social Welfare	Health & Hospitals	Arts & Humanities	Civic & Public	Other
1955	$ 3.33	$ .733	$1.53	$ .596	$ .199	$.075	$ .197
1956	3.75	.637	1.42	.920	.142	.070	.142
1957	4.02	.868	1.50	1.01	.159	.079	.254
1958	4.15	.977	1.47	1.14	.163	.082	.160
1959	4.56	1.34	1.43	1.15	.197	.090	.183
1960	4.79	1.50	1.41	1.13	.188	.094	.282
1961	5.01	1.57	1.47	1.18	.195	.098	.297
1962	5.25	1.68	1.57	1.36	.210	.112	.298
1963	5.58	1.93	1.71	1.48	.225	.114	.341
1964	5.91	2.05	1.69	1.45	.205	.157	.598
1965	6.51	2.26	1.86	1.46	.226	.173	.797
1966	7.06	2.35	1.91	2.07	.376	.230	.701
1967	7.40	2.45	1.89	2.82	.379	.231	.610
1968	8.22	2.93	2.11	3.02	.404	.228	.648
1969	8.85	3.17	2.54	3.23	.548	.391	.842
1970	9.30	3.24	2.88	3.40	.623	.415	.892
1971	9.98	3.56	2.92	3.65	.916	.594	1.22
1972	10.02	3.66	2.99	3.77	.930	.650	1.28
1973	10.52	4.10	3.06	4.15	1.25	.610	1.91
1974	11.94	4.14	3.12	4.29	1.30	.770	2.15
1975	12.91	3.95	3.14	4.42	1.72	.890	2.65
1976	14.22	4.49	3.16	4.85	2.31	1.07	2.44
1977	16.93	4.75	3.52	4.90	2.27	1.17	2.48
1978	18.45	5.56	3.97	5.48	2.50	1.18	2.54
1979	20.14	5.99	4.35	5.95	2.70	1.20	2.94
1980	22.15	6.68	4.73	6.41	2.96	1.36	3.37

AREAS OF PHILANTHROPIC OPPORTUNITY

Giving to RELIGION

The American people donated a total of $22.15 billion to their churches, temples and related religious organizations during 1980, more than double the amount contributed to organized religion just seven years ago.

The American Association of Fund-Raising Counsel said that as a portion of total philanthropy, contributions to religious groups equalled 46.3 percent in 1980, nearly the same as in 1979.

The estimated total contributed to religion in 1980 was a growth of 9.9 percent from the level attained in 1979, and while it did not even come close to meeting the increasing costs faced by the religious communities in America, the rise was higher than that achieved by some other sectors of the charitable community.

But a sampling of church leaders revealed deep concern over rising costs and dwindling physical and human resources, coupled with a swelling demand for services.

Many believe they are in a Catch-22 situation and while they see no real solutions for the many problems present and perceived, they are attempting to plug leaks by keeping more of the locally-donated funds for local use.

A number of studies—including one conducted by the National Council of Churches—concluded with substantive evidence that the pattern of distribution of benevolence money has shifted to local and regional agencies and away from national agencies.

Over a five-year period, for example, the Episcopalians increased the percentage of allocations to local churches from 86.7 percent to 87.7 percent, and the Presbyterian Church in the U.S. increased it from 84.9 percent to 87.8 percent.

While the percentage shifts appear slight, when combined with erosion of the dollar caused by inflation, they create significant complications for

Effect of TV Programs on Local Church Involvement

	Increased	Lessened	No Difference	Don't Know
National	27%	7%	65%	1%
Protestants	30	6	63	1
Catholics	22	7	70	1
Under 30 years	25	10	64	1
18-24	25	13	60	2
25-29	24	5	71	*
30-49	26	6	67	1
50 & over	29	7	63	1
Married	25	6	68	1
Single	29	13	55	3
Widowed	38	1	60	1
Church attenders	34	2	63	1
Non-attenders	20	12	66	2
Church members	29	6	64	1
Non-members	20	10	68	2
Religion is very important in life	32	5	62	1
Fairly important	17	9	72	2
Not at all important	2	25	72	1

*Less than 1%

Source: *Gallup Organization*

national offices of the religious bodies. For example, in 1974 the national Episcopal budget was $10.9 million and five years later, in 1974 dollars, it was $8.7 million—a loss of $2.2 million.

During the same period, the United Presbyterians experienced a loss in purchasing power of $10.2 million in their national budget, from $35.1 million in 1974 to $24.9 million in 1978.

The NCC reported that just as more money is being held closer to the source of giving, so too the use of the funds is being designated more frequently by the donor.

The [illegible] documented examples of a number of communions where there is an increase in restricted or designated giving and more direct channeling of money to specific causes.

The United Church of Christ reported, for example, that between 1974 and 1979 giving for basic support increased by 22.3 percent, while designated giving for special support and other gifts increased by 54.5 percent.

The Lutheran Church in America said there was a movement toward designated giving and cited three examples: Designated Advance Gifts, less than ten years old, has annual income of more than $1.5 million; World Hunger Appeal, five years old, has brought gifts of $15 million; Strength for Mission, a special three-year campaign, raised pledges of more than $35 million.

The financial plight faced by the major established churches is compounded by the question of the "electronic" church and its influence on both attendance at church services and contributions toward support of programs.

Church leaders ask whether the funds are flowing to the electronic church because they use the tremendous reach and impact of television

versus the more traditional methods of communicating with constituencies, and what impact religion delivered through transistors has on giving to the established churches.

The funds donated to religious broadcasters, reported as "inexact round numbers" by the National Council of Churches, indicate the reasons for the concern:

The Christian Broadcasting Network, $58 million in $1978; Armstrong's Worldwide Church of God, $75 million; Rex Humbard's Cathedral of Tomorrow, $18 million; Robert Schuller's Hour of Power, now topping $16 million; Jerry Falwell's Old-Time Gospel Hour, $32.5 million in 1978 and a projected $50 million in 1979; Oral Roberts' operations, $60 million with an annual growth rate of 25 percent.

And according to Christianity Today, World Vision had $58 million in contributions during 1978, which "equalled the amount they gave to the Billy Graham Evangelistic Association for evangelistic purposes."

Countering the contention of organized religion that the electronic church may be hurting the established groups is a study conducted by the Gallup Organization which shows TV programs have increased—rather than lessened—local religious involvement.

During a 30-day test period, three in ten unchurched Americans said they listened to programs produced by a religious organization. And as a result of listening to these programs, one in seven said they considered becoming active in a church.

The findings emerged from "The Unchurched American," a major religious study by the Gallup Organization. The study defined "unchurched" as individuals who are not members of a church or synagogue and who have not attended services—other than weddings, funerals or special holidays—in the previous six months.

Church Membership

1945	75%
1946	76%
1947	76%
1948	75%
1952	73%
1965	73%
1975	71%
1976	71%
1977	70%
1978	68%
1979	68%
1980	69%

Source: *Religion in America*

In assessing the findings of the study it was pointed out that the respondents referred to TV religious programs of a wide variety, including not only programs that feature evangelical preaching, but telecasts of religious services, crusades, religious talk shows, documentaries, and dramatizations about the Bible.

The controversy continues, however, with no clear answers. As a result, the National Council of Churches in February, 1981, announced that an ad-hoc coalition agreed to sponsor a major research project on the impact of the electronic church at a cost estimated to be $150,000.

The coalition represents 16 institutions, including such cornerstones of the electronic church as Pat Robertson's CBN University and Jim Bakker's Heritage School of Evangelism and Communication and such traditional organizations as the U.S. Catholic Conference, the United Church of Christ and the American Lutheran Church.

Church Attendance

Since those individuals who attend church services are the primary sources of support for religions, attendance is of vital concern.

During a typical week of 1980, four of every ten adults nationwide attended church or synagogue, with those who live in the Midwest and South more likely to attend regularly than residents in the East and West.

Since 1958, a peak year for church attendance, the national rate of churchgoing has dropped nine percentage points to 40 percent—the same rate of attendance found throughout the 1970s.

The decline has been sharpest among Catholics, with average attendance at Mass falling 22 percentage points—from 74 percent to 52 percent—between 1958 and 1978.

In 1980, 53 percent of Catholics attended Mass, according to data from *Religion in American Life*, which reflected polls conducted by the Gallup Organization.

Attendance among Protestants has changed very little, declining from 44 percent to 39 percent between 1958 and 1980.

	Protestants	Catholics
1958	44%	74%
1968	38	65
1978	40	52
1979	40	52
1980	39	53

Mirroring the pattern of churchgoing among Protestants and Catholics, synagogue attendance dropped between the late 1950s and early 1970s, but since then it has shown an upturn.

In surveys taken between 1975 and 1980 by the Gallup Poll, 24 percent of Jews attended synagogue in a typical week.

Sharp differences in church and synagogue attendance are found when examining different age groups, with 31 percent of adults under 30 attending in a typical week of 1980, compared with 40 percent of persons 30 to 49 years old and 47 percent of those 50 and over.

Churchgoing among adults under

Number of United States Churches, and of Members, by Religious Groups

	Number of Bodies Reporting	Number of Churches	Number of Members
Buddhists	1	60	60,000
Eastern Churches	18	1,606	3,821,655
Jews*	1	3,500	5,860,900
Old Catholic, Polish National Catholic, Armenian Churches	7	421	936,801
Protestants**	184	300,077	72,814,971
Roman Catholic	1	24,161	49,812,178
Miscellaneous***	7	1,240	163,185
Totals	219	331,065	133,469,690

*Including Orthodox, Conservative, and Reformed branches.

**Some bodies included here are, strictly speaking, not "Protestant" in the usual sense, such as various Latter-Day Saints groups and Jehovah's Witnesses.

***This is a grouping of bodies officially non-Christian, including those such as Spiritualists, Ethical Culture Movement, and Unitarian Universalists.

Source: *Yearbook of American and Canadian Churches, 1981* edited by Constant H. Jacquet, Jr. Nashville, Abingdon Press, 1981.

30 is 17 percentage points lower today than it was in 1958, while it dropped by 11 points among 30-49 year olds and declined by only one point among those 50 and older.

The annual Gallup survey of church and synagogue attendance revealed that on a geographical basis, 45 percent of those who live in the Midwest attended services on a regular basis. That is one point higher than a year ago.

Among residents of the South, 42 percent attended regularly, and that, too, is up one percentage point from a year ago.

But the gains in the Midwest and the South were neutralized by losses of one point each in the East and in the West. In the Eastern portion of the country 40 percent attended services regularly (41 percent a year ago) and in the West, 29 percent attended (30 percent a year ago).

While attendance has a direct influence on giving, the declines experienced in churchgoing during recent years have been more than offset by the increases in giving by those who do attend.

But religious leaders maintain that if attendance were higher giving would be too, and this would help solve some of the problems they face.

Attendance in Typical Week

1939	41%*
1940	37%**
1950	39
1954	46
1955	49*
1956	46
1957	47
1958	49*
1959	47
1960	47
1961	47
1962	46
1963	46
1964	45
1965	44
1966	44
1967	43
1968	43
1969	42
1970	42
1971	40
1972	40
1973	40
1974	40
1975	40
1976	42
1977	41
1978	41
1979	40
1980	40

*High points in attendance.
**Low point in attendance.

Religious Preference

Total church membership remained about steady in 1980 at 133,469,690, or 60.5 percent of the nation's population.

The breakdowns of religiously-affiliated Americans takes into account those who are members of various churches and synagogues, but is not limited to those who attend regularly.

Data from the National Council of Churches show there are 72,814,971 Protestants who are members of 184 different bodies, and they worship in 300,077 different churches.

The Jewish community in America numbers 5,860,900, with 3,500 synagogues and temples. The community consists of Orthodox, Reformed and Conservative branches.

The latest data reflect a loss of 599 Protestant churches and 50 Jewish synagogues and temples from a year ago.

Eastern church members totaled 3,821,655 and they represented 18 bodies which worship in 1,606 churches—an increase of 23 churches from a year earlier and 189,000 members from 1979.

The Council said there are approximately 60,000 Buddhists in the

Protestant Giving in 12 Denominations

Church & Membership	Total Contributions (millions)	Per Capita Gift
American Baptist Churches in the U.S.A. (1.27 million)	$216.65	$170.37
American Lutheran Church (1.78 million)	$347.92	$147.25
Church of the Nazarene (474,820)	$197.54	$416.05
Episcopal Church (2.84 million)	$484.21	$170.41
Lutheran Church in America (2.92 million)	$372.93	$127.67
Lutheran Church—Missouri Synod (2.62 million)	$424.52	$161.84
Presbyterian Church in the U.S. (852,711)	$268.44	$314.81
Seventh-Day Adventists (533,098)	$374.64	$677.37
Southern Baptist Convention (13.37 million)	$2,220.09	$166.01
United Church of Christ (1.75 million)	$290.54	$166.45
United Methodist Church (9.65 million)	$1,364.46	$141.34
United Presbyterian Church in the U.S.A. (2.48 million)	$656.13	$264.85

Total Membership: 40.54 million (down 1.4%)

Total Contributions: $7,218.07 (up 9.8%)

Average Per Capita Gift: $178.04 (up 11.4%)

*Inclusive membership figures are given.

Source: *Yearbook of American and Canadian Churches* ©National Council of Churches (1981)

United States with 60 temples and reported there are 936,801 Old Catholic, Polish National Catholic and Armenian Catholics, who represent seven different bodies and worship at 421 churches.

Miscellaneous, which includes Spiritualists, Ethical Culture Movements and Unitarian-Universalists, total 163,185 from seven bodies, with 1,240 churches.

The Official Catholic Directory reported there are 49,812,178 Catholics in the United States, an increase of 210,143 from 1979.

According to P.J. Kenedy & Sons, publishers of the Directory, there were a record number of Catholic parishes last year—18,794—an increase of 99.

Fifteen Dioceses reported no change in the number of Catholics, and 46 reflected decreases, while 109 reported increases.

Giving Patterns

The National Council of Churches' latest survey of giving patterns among mainline Protestant churches shows that per capita gifts to 12 major denominations increased by 11.4 percent, but a drop of a half-million

members among those congregations held the overall increase in giving to 9.8 percent.

The average per capita gift reached $178.04, while total contributions reported by the 12 large denominations reached $7.2 billion.

The Council reported that a total of 44 United States Communions participated in its latest survey of religious giving and that they received contributions of $8.1 billion.

A comparison with the previous year was not possible, since the number of denominations reporting to the NCC varies each year. In 1979, 42 denominations took part in the survey.

But average figures do give a picture of the church's financial growth.

The average per capita gift for the denominations reporting reached $197.44 in the most recent study, compared with $176.37 a year ago. For the denominations participating in the sampling, that represented an increase of more than 11 percent.

Giving to EDUCATION

	Amount (Billions)
1970	$3.24
1971	3.56
1972	3.66
1973	4.10
1974	4.14
1975	3.95
1976	4.49
1977	4.75
1978	5.56
1979	5.99
1980	6.88

America's educational community received a total of $6.68 billion in charitable contributions during 1980, firmly establishing education as the second largest recipient of philanthropy in the United States.

In both 1978 and 1979, education surpassed the health and hospitals category in total contributions and there was some question as to whether the colleges, universities and schools would hold that position. With the results for 1980, however, it appears that giving to education has permanently settled into the number two spot in philanthropy behind religion.

The American Association of Fund-Raising Counsel said that as a proportion of total giving, the education category received 14 percent, a slight increase from the 13.8 percent of the total received a year earlier.

The year-to-year increase in educational giving was 11.5 percent, the Association reported, but it said the rise was somewhat misleading because of a single $105 million gift.

That donation, considered to be the largest single grant in the history of philanthropy in America—and for that matter, in the world—was given to Emory University by the Emily and Ernest Woodruff Fund, Inc.

The gift was in the form of stock in the Coca-Cola Company, and it constituted the liquidation of the Fund's assets. Over the years, the Woodruff Fund has contributed more than $210 million to Emory.

The overall increase of 11.5 percent in giving to all educational causes was

significantly smaller than the rise reported by the Council for Financial Aid to Education, which each year measures philanthropy to a large portion of the nation's colleges and universities.

The latest CFAE data show an increase of 17.6 percent in giving to higher education—but that also takes into account the one-time, non-recurring $105 million given by the Woodruff Fund, which accounted for more than three percent of the overall increase.

The CFAE reported preliminary results of its study among over 1,000 colleges and universities showed philanthropy to higher education reaching $3.80 billion, compared with $3.23 billion a year earlier.

An examination of the donor breakdowns in the CFAE study indicates increases in support from the business community and from foundations, while there are small declines in the percentages of total support for higher education from religious organizations, alumni, nonalumni and "other," which includes nonchurch groups and miscellaneous sources.

In the latest analysis, religious organizations contributed an estimated $155 million to higher education institutions, a drop of 3.7 percent from a year earlier. Two years ago, religious organizations contributed a total of $158 million to higher education.

The decline is reflective of the economic squeeze being experienced by many of the nation's religious organizations. As a result of that, many local churches are holding a greater share of money for their own use, primarily to pay higher operating costs.

While giving from alumni declined to 23.9 percent of giving to the nation's colleges and universities from 24.3 percent the year before, it reached $910 million in the latest study, an increase of 15.9 percent in dollars.

Gifts from nonalumni totaled $847 million, an increase of 15.1 percent from a year earlier, when they were $736 million.

Donations attributed to the "other" category declined in both dollars and as a share of the total last year—falling to $289 million from the $291 million received a year earlier and to 7.6 percent of the total from 9.0 in the study conducted a year before.

The preliminary report from CFAE said that corporations had increased giving to higher education by a massive 25.2 percent and reached a total of $696 million, compared with $556 million the year before.

Overall, nearly 38 cents of every dollar contributed by corporations goes to the field of education, with about 70 percent of that being donated to colleges and universities.

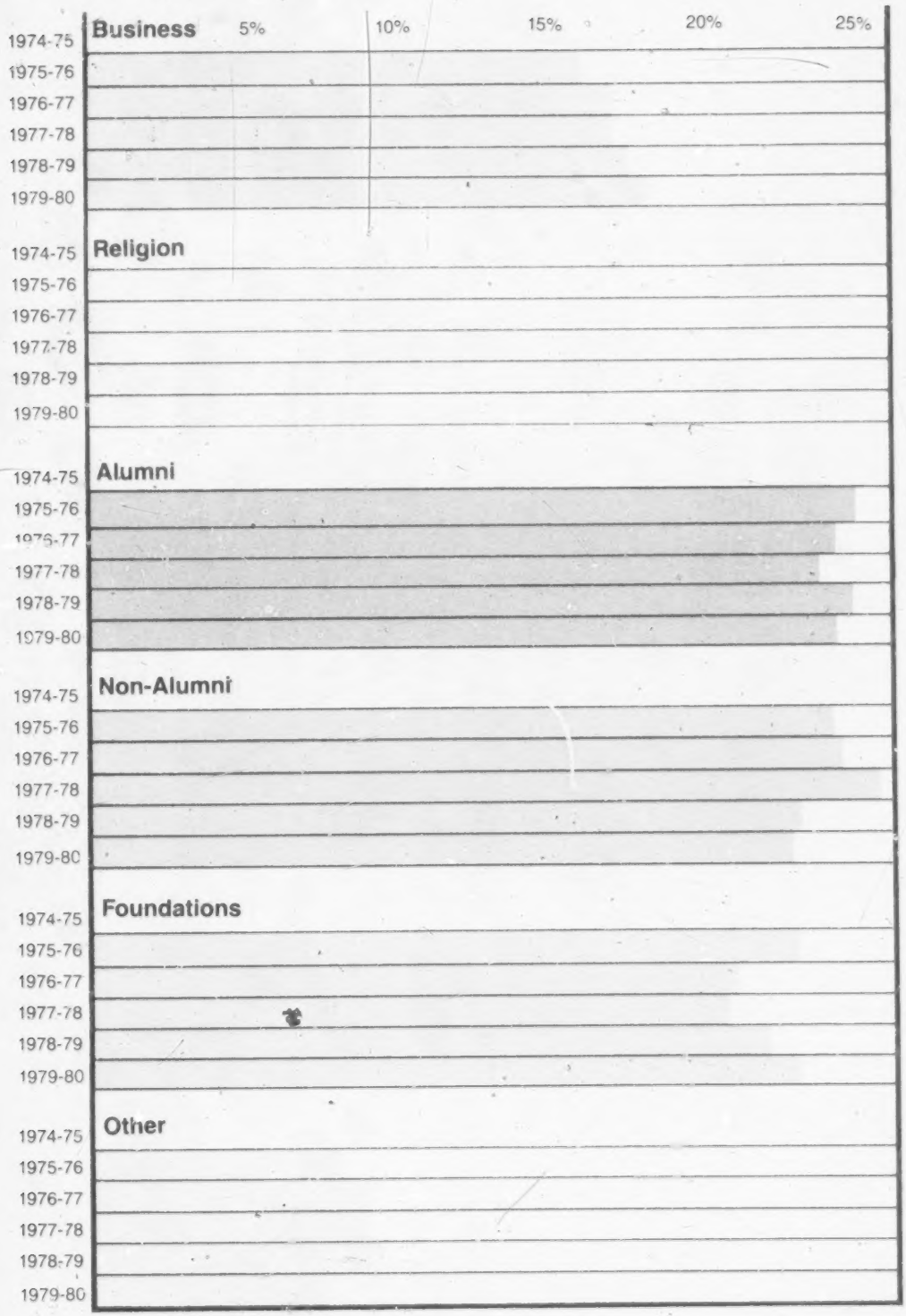
A joint survey conducted by CFAE and The Conference Board examined, among other statistics, the amounts contributed to the educational community by particular industries.

Printing and publishing ranked highest, in both percent of total contributions going to education (49.6 percent) and as a portion of worldwide pretax net income (.565 percent) contributed to educational organizations.

Analyzing support of education as a percent of total contributions, manufacturing companies in the chemical industry gave 47.1 percent; petroleum and gas, 47.2 percent; food, beverage and tobacco, 44.9 percent, and transportation equipment 43.5 percent.

The average portion of contributions given to support education

Giving to Higher Education



Source: *Council for Financial Aid to Education*

among the manufacturing industries sampled equalled 42.7 percent.

Among nonmanufacturing, business service companies gave the highest share of total contributions to education—38.3 percent. The engineering-construction industry and the insurance industry gave more than 30 percent of their total philanthropic contributions to education and the average for all nonmanufacturing industries was 25.5 percent.

The latest CFAE study of giving to higher education showed a 28.8 percent jump in the support colleges and universities received from foundations, and brought that total to $903 million from the $701 million received the year before.

But as previously mentioned in this chapter, the foundation total reflected the $105 million given by the Woodruff Fund, Inc., to Emory University.

That gift is also included in the total reported in a study of 71 colleges and universities by Brakeley, John Price Jones Inc., which has examined giving patterns to higher education for the past 60 years.

That sampling showed foundations gave a total of $350.4 million in the study just concluded, an increase of 32.4 percent from the $229.9 million reported a year earlier.

Corporations, according to the study, gave a total of $183.8 million to the 71 institutions surveyed, an increase of 17.1 percent from the $156.9 million they gave a year before.

Independent Schools

The National Association of Independent Schools reported in April that 581 of its member schools raised a total of $202.8 million during the 1979-80 year. A year before, the NAIS member schools raised $171.6 million.

Of the $202.8 million total, capital giving accounted for $121.9 million, or $11 million higher than a year earlier. Annual giving accounted for $80.9 million in the most recent analysis, compared with $60.8 million a year before.

Alumni giving reached $55.5 million and represented 27.3 percent of all the gifts received by the schools. That was up slightly from a year earlier, when alumni giving constituted 26.1 percent of the total.

Gifts from parents totaled $43.1 million, or 21.3 percent of the total; grandparents gave $2.3 million or 1.1 percent; friends and others, $45.1 million or 22.3 percent and foundations gave $43.9 million, a substantive increase from $34.0 million reportedly received from foundations the year before.

Corporate gifts, both matching and other, totaled $6.7 million in the most recent analysis, while deferred giving accounted for $3.8 million and bequests for $17.4 million.

Trustees, NAIS said, gave 19.9 percent of the capital giving total and 14.6 percent of the annual giving total.

Church-related Schools

There were 10,259 parochial education institutions in the United States last year, a decrease of 114 from 1979, according to a report from P.J. Kennedy and Sons.

Included in the total are 239 colleges and universities; 894 diocesan and parish high schools; 633 private high schools; 7,847 parish elementary schools and 311 private elementary schools.

Seminaries run by dioceses and religious orders totaled 344 last year and protective institutions, which cared for 10,059 youths last year, numbered

127.

Enrollment in Catholic colleges and universities increased last year by 21,316 and totaled 505,076. The number of colleges and universities dropped by two and totaled 239.

But the number of pupils in elementary and high schools declined by 69,663 in 1980, and there were 15 fewer high schools and 82 fewer parish elementary schools.

The People

In 1980, education was the primary activity of approximately 61.6 million persons or three of every ten Americans.

Included in the total were an estimated 58.0 million students enrolled in schools and colleges, 3.3 million teachers, and about 300,000 superintendents, principals, supervisors, and other instructional staff members.

Total enrollment in elementary and secondary schools and colleges and universities reached an all-time high of 61.3 million in the fall of 1975. For a decade small annual decreases have occurred at the elementary school level, reflecting the continuing decline in the number of children 5 to 13 years of age. Enrollment in the high school grades peaked in the fall of 1976, while college enrollment in most recent years has continued to rise.

Preliminary data from the fall survey of enrollment in higher education conducted by the Bureau of the Census, indicate that about 11,940,000 students were enrolled in colleges and universities in the fall of 1980. If this figure is confirmed by the final tabulation, it will mean that college enrollment increased by more than three percent between 1979 and 1980. The fall 1980 enrollment is the largest ever recorded at the college level.

Enrollment in public and private schools at the secondary level (grades 9 through 12) is estimated at about 14.9 million; a decrease of nearly three percent from the 15.3 million students enrolled a year earlier. Almost all of the decrease is believed to have occurred in public schools. Enrollment in private schools is estimated at slightly above 1.5 million in 1979 and slightly below that in 1980.

Between the fall of 1979 and 1980, enrollment at the elementary school level (kindergarten through grade 8) declined by more than 1 percent, from an estimated 31.6 to 31.2 million. Private school enrollment rose slightly to nearly 3.6 million, while public schools experienced a decrease estimated at 500,000 pupils.

School enrollment in the future will be significantly influenced by trends in the birth rate.

Data from the National Center for Health Statistics, U.S. Public Health Service, show that the number of live births in this country attained an all-time high of 4.3 million in 1961 and then declined for more than a decade. The birth rate turned upward again in 1977, and subsequently, there have been annual increases that have raised the number of children born from 3.3 million in 1977 to an estimated 3.6 million in 1980.

The latest projections of the National Center for Education Statistics indicate that there will be small annual reductions in elementary school enrollment for the next two years, with elementary enrollment rising again in the mid-1980s. The small annual decreases in high school enrollment, which began in 1977, are expected to continue throughout most of the 1980s.

Estimated Total Voluntary Support of Higher Education (in billions)

Source: *Council for Financial Aid to Education*

A limited amount of further growth is anticipated for colleges and universities, with enrollment leveling off in the early 1980s. The college-age population is expected to decline after 1981, and emerging trends in college attendance rates will determine what happens to higher education enrollment at that point. In recent years the increased attendance of women, older students (those 25 years old and over), and part-time students played a major role in maintaining college enrollment at a high level.

More than 2.4 million persons were employed as classroom teachers in public and private elementary and secondary schools in the fall of 1980. This was slightly less than the number of persons teaching a year earlier. Only minimal changes occurred at the elementary and the secondary levels. The number of public school teachers in 1980 was estimated at 2,175,000 and

about 275,000 were in private schools. Approximately 1,350,000 were teaching in elementary schools, and the remaining 1.1 million were employed at the secondary level.

Overall, the trend in recent years has been for the number of public school teachers to grow at a faster rate than the number of pupils. The result is a continuing improvement in the pupil teacher ratio. Last fall there were an estimated 18.8 pupils per teacher as compared with 22.3 pupils for each teacher 10 years earlier.

The number of instructional staff members in colleges and universities has continued to grow, but at a slower rate than in the middle and late 1960s. The full-time and part-time staff, including graduate assistants, is estimated at about 840,000 in the fall of 1980, an increase of about 2 percent over 1979. During the past decade, while college enrollment was growing by about 39 percent, the number of instructional staff members increased by an estimated 47 percent.

Expenditures

Expenditures for public and private education from kindergarten through graduate school are estimated at $166 billion for the 1979-80 school year, and preliminary estimates place the 1980-81 figure at about $181 billion. The expenditures of elementary and secondary schools totaled about $107 billion last year, while institutions of higher education spent about $59 billion. Public schools and colleges spent approximately $135 billion in 1979-80, compared to about $31 billion for private institutions.

Viewed in another context, the total expenditures for education during 1980-81 are expected to amount to about 7 percent of the gross national product (GNP). The percentage of the GNP spent for education was in a rising trend for many years before peaking at 8 percent in 1975-76. The small reduction in the proportion of the GNP allotted to education over the past five years reflects the fact that enrollment in elementary and secondary schools was decreasing during this period.

Nationally, the current expenditure per pupil in average daily attendance in public elementary and secondary schools was more than twice as large in 1978-79 as it was seven years earlier.

The rise was from $990 in 1971-72 to $2,021 in 1978-79. The current expenditure per pupil in 1980-81 is expected to reach $2,400.

The role of the federal government in providing support to education at all levels has grown very substantially during the past decade. Whereas Federal grants amounted to $8.7 billion in fiscal year 1970, in 1979 they reached approximately $23 billion.

Grants to elementary and secondary education increased from $3.2 billion to about $6.7 billion during the 1970s, while grants to higher education went from $3.9 billion to $9.3 billion.

The largest percentage increase, however, was in grants for vocational-technical and continuing education, which rose from $1.6 billion in 1970 to about $7.0 billion in 1979. This amounted to more than a fourfold increase during the nine-year period. The increased support for vocational education reflects the widely held view that more students should be prepared for useful employment as part of their formal education.

Large Gifts to Education—1980

Donor/Amount/Recipient

Emily & Ernest Woodruff Fund, Inc.—$105 million to *Emory University*

Henry J. Knott—$20 million to *College of Notre Dame*

Anonymous—$18 million to *Buena Vista College*

Bernard Mitchell—$14.5 million to *University of Chicago*

Mr. & Mrs. James L. West—$12 million to *Texas Wesleyan University*

John Brooks Fuqua—$10 million to *Duke University*

Robert Maxwell—$10 million to *Dartmouth College*

Frank J. Pasquerilla—$7 million to *University of Notre Dame*

Catherine & John D. MacArthur Foundation—$6.5 million (2-yr. pilot program) to *50 MacArthur Prize Fellows*

McDonnell Aerospace Foundation—$5.5 million to *Washington University*

Goodhill Foundation—$5.25 million to *University of Florida*

W. Kenneth Hyslop—$5.2 million (farmland) to *University of North Dakota*

University of Ridayh (Saudi Arabia)—$5 million to *Princeton University*

Walter W. Lechner—$5 million to *Texas A&M University*

Laurance S. Rockefeller—$5 million to *Princeton University*

Vincent Astor Foundation—$5 million to *Rockefeller University*

Olin Foundation—$4.85 million to *Johns Hopkins University*

George Lucas—$4.7 million to *University of Southern California*

Lurleen B. Wallace Memorial Foundation—$4.5 million to *University of Alabama in Birmingham*

Z. Smith Reynolds Foundation—$4.5 million to *Wake Forest University*

Olin Foundation—$4 million to *Washington and Jefferson College*

Rockefeller Family—$3.75 million to *Dartmouth College*

Dr. & Mrs. John M. Christlieb—$4 million (art & land) to *University of Nebraska*

Glenmede Trust—$3.5 million to *University of Pennsylvania*

Ralph & Barbara Weir—$3.5 million to *University of Kansas*

Ellen & Henrik Valle—$3.3 million to *Washington University*

Robert A. Welch Foundation—$3.1 million to *University of Texas*

Harold & Esther Mertz—$3 million to *Swarthmore College*

Honeywell, Inc.—$3 million to *University of Minnesota*

The Weatherhead Foundation—$3 million to *Weatherhead School of Management (Case Western Reserve University)*

Atlantic Richfield Foundation—$2.55 million to *Carnegie Foundation for the Advancement of Teaching*

Mr. & Mrs. Homer T. Hirst—$2.4 million to *Bishop Whipple Schools*

Dudley N. Schoales—$2.5 million to *Cornell University*

Nelson Rockefeller's friends & classmates—$2.5 million to *Dartmouth College*

Trustees & friends of the University—$2.5 million to *University of Tampa*

Arlen G. Swiger—$2.3 million to *West Virginia University*

Charles Walgren, Jr.—$2 million to *University of Illinois*

William Rosenbert—$2 million to *University of New Hampshire*

Anonymous—$2 million to *North Central College*

T. Cecil Whitmarsh—$2 million to *Westminster College*

Koret Foundation—$2 million to *Stanford University*

Brown Foundation—$2 million to *Austin College*

Ned Carmichael & Susan Carmichael McIntosh—$2 million to *University of Florida*

Mrs. Boyce A. Gooch—$2 million to *Southwestern at Memphis*

Control Data—$2 million to *University of Minnesota*

John L. & Helen Kellogg Foundation—$2 million to *Loyola University of Chicago*

Thomas J. Dark—$2 million to *University of North Carolina*

Giving to HEALTH AND HOSPITALS

The nation's voluntary health agencies and its hospitals received a record $6.49 billion in contributions last year, an increase of 9.0 percent from the $5.95 billion donated in 1979.

The American Association of Fund-Raising Counsel said the estimated total of giving to health and hospitals constituted 13.6 percent of all philanthropy in the United States during 1980—about the same as a year earlier.

For many years the health and hospitals category of philanthropy ranked as the second-largest recipient of charitable dollars, but beginning in 1978, and again in 1979 and 1980, giving to the field of education overtook it.

The difference is not that great—education received an estimated $6.68 billion in contributions during 1980 and the total was boosted by a single gift of $105 million.

Thus, it appears that while educational institutions and agencies have taken over the number two spot for the past three years, the race for the permanent position is far from over.

The AAFRC's estimate for total giving to the nation's health field and hospitals is based each year on the results of a number of studies and surveys. Included are a study the Association conducts among leading national health agencies, surveys conducted by the National Association for Hospital Development, the National Health Council, and the American Hospital Association, a study of giving by the business community conducted by The Conference Board, and analyses of giving by foundations made each year by The Foundation Center.

A study of giving to key national health agencies revealed an increase of 8.1 percent in support during 1980 over the previous year. Philanthropy to the 24 large agencies participating in the survey reached a record $737.2 million in 1980, versus $681.9 in 1979.

There were significant increases in support reported by some of the larger agencies and by some small ones. As in past years, the American Cancer Society received by far the largest amount in bequests and contributions—totaling $154.7 million in 1980, an increase of 8.8 percent from the $142.1 million raised by ACS during 1979.

The American Heart Association, which traditionally receives the second largest amount in bequests and contributions, reported to the AAFRC that in 1980 gifts totaled $92 million, or 10.9 percent above those received a year earlier.

The totals reported by the agencies participating in the AAFRC-sponsored sampling include only contributions and bequests and do not take into account money from government

grants or contracts, or interest generated by reserve or endowment funds.

The National Health Council, which includes among its membership many of the country's leading voluntary health agencies, reported that its latest compilation showed its health agency members had a total of $452 million in public support and $104 million in other revenue.

The "other revenue" would include government contracts and much of that is used for long-term research projects.

The National Health Council said that program outlays by its health agency membership totaled $408.3 million, which represented 77 percent of total expenses and 73 percent of total income.

Patient services constituted 37 percent, or $152 million, of the outlays; research accounted for 24 percent or $97 million; public education took 18 percent, or $72 million; the delivery of community services constituted 12 percent of expenses, or $50 million, and professional education took 9 percent or $37 million.

The data supplied by the National Health Council were extracted from audited financial statements issued by its member agencies.

The National Association for Hospital Development, an organization of development directors at more than 1,000 of the nation's hospitals, said its annual study of philanthropy to the hospitals where it has members was still in progress at the time Giving USA was published.

But the chairman of this year's NAHD study, Frank Hall, told the AAFRC that on "the basis of partial returns of the organization's questionnaire, it was evident that giving to the hospitals had increased over the previous year."

The NAHD said final tabulations were expected to be available in late May but that 246 hospitals had reported in mid-April that they raised $199.8 million last year and an additional $36.6 million in bequests.

The 246 hospitals that reported represent about 33 percent of the total number of hospitals that participate in the study.

One of the primary sources of support for both health organizations and hospitals are foundations, and the latest available data from The Foundation Center show that in 1980 there were a total of 3,229 grants of $5,000 and more given to the health category.

The grants were worth $262 million, an increase of nearly 4 percent

Registered Hospitals in the United States

Type and Number of Hospitals	1975	1976	1977	1978	1979
Federal	382	380	377	370	361
Nonfederal	544	528	541	526	527
Psychiatric	36	21	19	15	12
Tuberculosis	215	197	189	170	165
Long-Term General and Special	5,979	5,956	5,973	5,934	5,923
Other*	7,156	7,082	7,099	7,015	6,988
Total					

*Includes voluntary nonprofit, for-profit, and state and local government short-term general and special hospitals.

Source: Hospital Statistics, 1980 Edition

Hospital Expenditures as a Percentage of GNP

	GNP		Hospital expenditures		
	Amount (in billions)	Percent change from previous year	Amount (in millions)	Percent change from previous year	Percentage of GNP
1967	$ 796.3	5.75	$16,395	15.47	2.06
1968	868.5	9.07	19,061	16.26	2.19
1969	935.5	7.71	22,103	15.96	2.36
1970	982.4	5.01	25,556	15.62	2.60
1971	1,063.4	8.25	28,812	12.74	2.71
1972	1,171.1	10.13	32,667	13.38	2.79
1973	1,306.6	11.57	36,290	11.09	2.78
1974	1,412.9	8.13	41,406	14.10	2.93
1975	1,528.8	8.20	48,706	17.63	3.19
1976	1,700.1	11.20	56,005	14.99	3.28
1977	1,887.2	11.01	63,630	13.61	3.37
1978	2,107.6	11.68	70,927	11.47	3.37
1979	2,368.8	12.39	79,796	12.50	3.36

Source: Economic Indicators, April, 1981

from those reported a year before.

The gifts to the health category listed by the Center's Grants Index represented 15 percent of the gifts made, about the same as a year earlier and 22 percent of the total dollars in grants of $5,000 or more, down slightly from 1979.

A detailed examination of the distribution of foundation grants by subject categories revealed that grants for medical care and treatment accounted for 12.3 percent of all foundation dollars given and totaled $146.6 million.

Medical and health education received 5.4 percent of the grant dollars, or $63.8 million.

In addition to foundations, and of course individuals who form the bulk of support for health agencies and hospitals, the business community is an important and growing source of philanthropic funds.

The latest analysis of corporate giving made by The Conference Board shows that contributions to the health and welfare category—which includes hospitals, health agencies and welfare groups—rose by 14.3 percent and totaled $292.6 million in gifts from the 786 companies that participated in the study. The total represented 35.0 percent of all giving by those companies, compared with 37.0 percent the year before.

Hospitals in the U.S.

There were a total of 6,988 hospitals in the United States last year, 27 less than a year earlier, the American Hospital Association reported.

Of those hospitals that closed their doors, 10 were voluntary nonprofit and nine were general or community hospitals.

According to the latest examination of hospital trends in the nation, the number of hospital beds declined by 9,000 overall and totaled 1,372,000. And since the number of inpatients on an average daily basis rose slightly last year to 1,043,000, the national hospital occupancy rate rose to 76.1 percent, from 75.4 percent a year before.

Ten years ago, the occupancy rate was 82.9 percent, according to data from the American Hospital

Association.

In contrast to the decline in the number of hospital beds during each of the past 15 years, the number of admissions has grown consistently. The AHA reported that in its most recent tabulation, there were 37.8 million Americans admitted to hospitals—the highest ever. The change from the previous year, however, was less than one percent.

Both community hospitals and voluntary nonprofit hospitals reported increases in admissions, while the average length of stay for patients remained about the same for the past three years.

While both categories reported an increase in the number of outpatient visits a year ago, the most recent data reflect decreases in outpatient visits for the latest period.

Just what the decline is attributable to is not clear, although some believe it may be the result of increased home nursing, particularly for the elderly.

But at the same time, many hospitals—especially those in urban areas—find themselves being used as a substitution for a family doctor.

This is particularly troublesome in the emergency room area, where patients show up with everything from common colds to serious injuries. Some hospitals believe the increasing use of emergency facilities is a direct result of a troubled economy, with many of the dropins attempting to

Change in General or Community Hospitals

	1977	1978	1979
Number of Hospitals*	5,881	5,851	5,842
Number of Beds (000)	969	975	984
Admissions (000)	34,273	34,506	35,099
Average Daily Census (000)	715	718	727
Outpatient Visits (000)	198,708	201,931	198,778
Average Length of Stay—Days	7.6	7.6	7.6
Occupancy Rates(%)	73.8	73.6	73.9
Total Expenses (million)	$51,647	$58,180	$66,004
Number of Personnel**	2,573,000	2,655,000	2,756,000
Payroll Expenditures (million)	$25,944	$28,939	$32,584
Expenses Per Inpatient Day	$173.98	$194.34	$217.34

*Excludes hospital units of institutions (prisons, college infirmaries, etc.)
**Adjusted for part-time personnel
Source: Hospital Statistics, 1980 Edition

Change in Voluntary Nonprofit Hospitals

	1977	1978	1979
Hospitals	3,371	3,360	3,350
Beds (000)	680	684	690
Admissions (000)	24,284	24,443	24,885
Average Daily Census (000)	519	521	528
Outpatient Visits (000)	139,045	142,617	140,525
Average Length of Stay—Days	7.8	7.8	7.7
Occupancy Rates (%)	76.3	76.1	76.5
Total Expenses (million)	$37,523	$42,262	$47,969
Number of Personnel	1,863,000	1,927,000	2,000,000
Payroll Expenditures (million)	$19,138	$21,337	$24,043
Expenses Per Patient Day	$174.64	$195.07	$217.93

Source: Hospital Statistics, 1980 Edition

National Health Agencies

Agencies	1980	1980 Contributions	1980 Bequests	1979
American Cancer Society, Inc.	$154,691,142	$113,325,055	$ 41,366,087	$142,138,732
American Heart Association	91,991,164	64,620,688	27,370,476	82,933,148
Muscular Dystrophy Association	66,851,264*	65,804,499*	1,046,765*	65,016,996
The National Foundation	64,894,718	63,535,783	1,358,935	65,170,640
American Lung Association	60,000,000*	53,000,000*	7,000,000*	49,028,183†
National Easter Seal Society	58,950,000	52,750,000	6,200,000	52,114,666†
Planned Parenthood Federation of America, Inc.	34,500,000*	24,000,000*	500,000*	30,190,629†
National Multiple Sclerosis Society	29,641,027	28,674,260	966,767	27,242,099
National Association for Retarded Citizens	28,562,200*	28,066,290*	495,910*	34,465,963
United Cerebral Palsy Association, Inc.	28,436,150	27,142,080	1,294,070	24,600,667†
The Arthritis Foundation	23,000,000*	18,000,000*	5,000,000*	21,117,000†
Mental Health Association	17,483,441*	16,883,441*	600,000*	15,899,415†
Cystic Fibrosis Foundation	15,800,000*	15,330,000*	470,000*	14,848,262†
American Diabetes Association, Inc.	14,688,615	14,235,452	453,163	12,329,136†
Leukemia Society of America, Inc.	11,927,249	11,580,643	346,606	11,314,627
National Kidney Foundation	10,000,000*	9,500,000*	500,000*	9,306,368
National Society to Prevent Blindness	5,608,131	3,713,090	1,895,041	4,799,622†
Epilepsy Foundation of America	5,000,000*	4,600,000*	400,000*	5,280,868†
Juvenile Diabetes Foundation	4,248,968	4,238,968	10,000	3,261,061
Recording for the Blind**	3,098,433	3,098,433	—	3,642,594
The National Hemophilia Foundation	2,685,796	2,685,796	—	2,900,000†
American Foundation for the Blind	2,320,441	1,097,663	1,222,778	2,459,967
Damon Runyon-Walter Winchell Cancer Fund	1,682,637	137,656	1,544,981	1,009,225
National Council on Alcoholism	1,125,000	864,737	36,025	845,582
Totals	$737,186,376	$626,884,534	$100,077,604	$681,920,450

*Estimated
**Educational Organization
†Revised

avoid paying a private physician for services they can receive instead at a local hospital. In most of the cases the hospital's fees are covered by a patient's insurance, while if the individual went to a private physician, the fees would not be covered.

Hospital Expenditures

U.S. hospitals reported expenditures totaling $79.8 billion in the AHA survey covering the year 1979— an increase of 12.5 percent. In that same year, inflation was above 13 percent, so overall hospital expenditures did not rise as much as the cost of living.

Hospital expenditures represented 3.36 percent of the nation's gross national product, about the same as a year earlier.

Community hospitals, which those in the philanthropic field are most concerned with, had expenditures of $66.0 billion in the latest study, an increase of 13.4 percent from the $58.2 billion the year before. That percentage rise matched the inflation rate for 1979.

Hospitals in the United States employed 3.4 million persons in the latest survey year, an increase of 200,000 personnel from the previous period. Community hospital employment reached 2.8 million, a slight increase from the 2.7 million the year before.

Labor expenditures accounted for more than half of the expenses of the nation's community hospitals.

Payroll represented less than half of

the total (49.4 percent) and continued to decrease as a portion of total expenses. The decline was first noticed in 1962 when payroll accounted for 61.9 percent of total expenditures.

But in community hospitals with more than 400 beds—the group growing most rapidly and with the greatest rate of patient utilization—payroll still accounted for more than half total expenditures and total labor costs were more than 58 percent of all expenditures.

Payroll also accounted for more than half of the expenditures of community hospitals located in the populous Northeast and North Central states, while in other areas of the country it was less than half.

Hospitals in the East South Central and West South Central states reported the lowest percentages for the total labor component of expenditures—less than 54 percent.

Large Gifts to Health Causes—1980
Donor/Amount/Recipient

National Cancer Institute—$10 million to *Sidney Farber Cancer Institute*

Anonymous—$10 million to *Children's Memorial Hospital*

Joseph E. Seagram's & Sons, Inc.—$5.8 million to *Harvard Medical School*

Alfred P. Sloan Foundation—$3.6 million to *Memorial Sloan-Kettering Cancer Institute*

Peter Kiewit—$3.5 million to *Eisenhower Medical Center*

Peter Kiewit—$2.5 million to *Clarkson Hospital (Omaha)*

Duke Endowment—$1.75 million to *Duke University Medical Center*

Ross Nelson & Friend—$1.75 million to *Gunderson Medical Foundation*

Pew Memorial Trust—$1.7 million ($5.1 million over 3 years) to *Hahnemann Medical College & Hospital*

W. K. Kellogg Foundation—$1.292 million to *Hospital Research & Education Trust*

Martha Washington Home for Dependent Crippled Children—$1 million to *Children's Memorial Hospital*

Anonymous—$1 million to *Children's Memorial Hospital*

Shell Oil Co.—$1 million to *American Cancer Society*

Shell Oil Co.—$1 million to *Interferon Foundation*

Giving to **SOCIAL WELFARE**

Organizations engaged in social welfare received a total of $4.73 billion in charitable contributions during 1980, an increase of 8.7 percent from the $4.35 billion given a year earlier.

The American Association of Fund-Raising Counsel said that the estimated total was a new record and it constituted 10.0 percent of all giving in America during the year, roughly the same as in 1979.

While the largest single share of giving to organizations involved with the social welfare segment of phi-

lanthropy comes from individuals, giving by both corporations and foundations has increased in recent years.

The Foundation Center reported, for example, that in its most recent analysis grants of $5,000 and more to organizations in the social welfare category jumped by a massive 32.5 percent and reached $326 million.

Giving to the welfare category constituted 27 percent of the $5,000 and over grants, the Center reported, compared with 23 percent a year earlier.

An examination of the distribution shows that the greatest share of foundation gifts to social welfare was pegged for community activities, which received 5.7 percent of all grants counted, or $67.8 million.

But many small foundation gifts are also given to organizations involved with improving the quality of community life, as are many relatively small corporate gifts.

Much of the giving by corporations are gifts-in-kind—in the form of equipment for community agencies and services the corporations may perform for locally run charitable organizations.

An example of this is the Little League, which exists throughout the nation in many small communities and is nearly totally supported by corporate donations, usually from small businessmen. In addition to paying for such items as uniforms and equipment, many business enterprises let organizations use their facilities for meetings and urge employees to become involved with volunteer activities.

Traditionally, business has also been supportive of what is generally conceded to be the largest single social welfare organization in the world—the United Way.

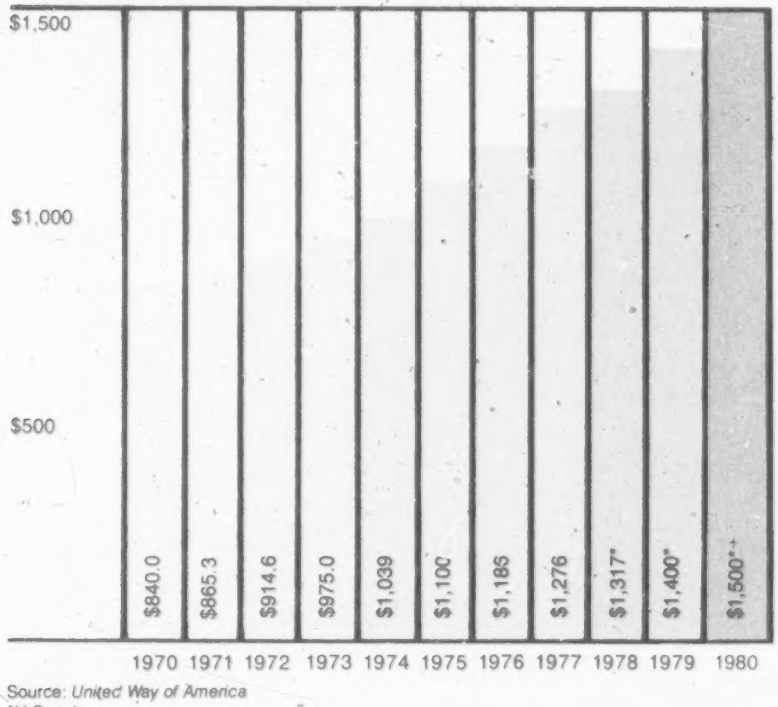
In 1980, United Way organizations raised $1.5 billion, an increase of about 7.5 percent over the previous year. But the impact of United Way extends beyond the simple statistics of its fund-raising efforts.

Planning for future community needs, joining together for greater efficiency, expanding relationships with health and welfare agencies, and meeting new challenges are all part of the organization's activities.

Last year, in the face of a sagging economy, 75 separate United Ways joined to form 19 different agreements for areawide arrangements. These joint ventures allow United Ways to share financial and manpower resources so they can perform more efficiently in determining and meeting community needs. Volunteer and staff expertise in large communities can aid smaller communities. Programs operating cooperatively can benefit more people. As a result, community services are improved.

Cooperation between United Ways and major health organizations also continued in 1980. Agreements between local United Ways and chapters of the American Cancer Society now total 59, an increase of 13 from the year before. Joint ventures with other health agencies have also expanded. In Cleveland, for example, United Way and the American Heart Association joined together to reduce fatalities by heart attacks. A grant from United Way helped expand a cardiopulmonary resuscitation (CPR) program so businesses could teach employees how to train co-workers in CPR. These kinds of cooperative efforts help increase agency resources (as in the joint fundraising with the American Cancer Society) and ex-

Record of United Way Campaigns in the U.S. and Canada (in millions)



Source: *United Way of America*
*U.S. only
†Preliminary

pand agency services (as in the grant to the American Heart Association).

To improve the core of United Way and its member agencies, several new Volunteer Leadership Development Centers were established regionally with the aid of a grant from the W.K. Kellogg Foundation. Addition of the new centers bring the total to 10. Workshops held at the centers help volunteers manage their organizations more effectively and get the most value for their dollars.

Last year, 30 United Ways also began new management assistance programs for agencies. With the help of volunteers from local corporations, the programs are designed to teach agencies basic management skills. United Way of America's National Academy for Voluntarism also continued to expand its professional staff development program with courses dealing with campaign, fund raising, communications, marketing, public relations, labor relations, planning, allocations and management.

Government regulations has become an increasingly important area for United Way activities, on both the federal and state levels.

The agency worked with other voluntary organizations to gain Congressional approval for tax reforms that would allow all taxpayers to deduct their charitable contributions whether they itemize or take standard deductions. There has also been

work to help ease the regulatory burdens on voluntary agencies under federal grants and contracts. Additionally, United Way monitored and began to respond to recent changes in Combined Federal Campaign regulations and efforts to alter state employee campaigns.

Long range planning became the concern of an increasing number of agencies as the new decade began. Analysis of future economic, political, social and technological trends began to keep United Ways alert to changing community needs. In Buffalo, N.Y., for example, 77 volunteers on seven subcommittees began work on a five-year long range planning program.

Such planning helps agencies anticipate future needs. Projections now are that by the end of the decade, people of Hispanic descent will be the nation's largest minority. United Way of America started developing programs to help local agencies meet the health and social welfare needs of the Spanish-speaking community. Graciela Olivarez, former director of the Federal Community Services Administration, is leading the initiative.

In 1980, United Way of America reported the results of its second National Marketing Survey. The report provides comparative information on people's attitudes about and understanding of United Way and other voluntary organizations. It includes an analysis of how to apply the survey results to year-round programs.

United Ways and their agencies responded to challenges throughout 1980, most often as a routine part of their community service.

But occasionally, they rendered extraordinary service under extraordinary circumstances.

In Miami, for example, the influx of over 100,000 Cuban and Haitian refugees in a three-month period severely taxed the entire area's network of human services. Voluntary organizations, many of them United Way-funded agencies, came to the aid of the refugees. In addition, local volunteers with social work experience were recruited to help find homes and sponsors for the refugees.

Many United Ways responded to meet new needs. For example, last year United Way in Milwaukee set up a grant program to fund new services that fell outside of the traditional scope of activities. One recipient was the Milwaukee Sailing Center, which designed a project to teach young people fundamental learning skills, such as reading and math, through sailing.

The American Red Cross moved last year toward the celebration of its 100th anniversary in 1981.

The National Headquarters of the Red Cross established an Office of Special Planning Activities and retained the services of a Director of Centennial Planning.

Among the activities implemented by the Red Cross as part of its birthday celebration was the publication of a centennial book by Harper & Row and the distribution of a package of materials to its approximately 3,000 chapters across the nation.

Both the Handbook for Centennial Planning and the Chapter Performance Review were designed by the Red Cross to be adaptable to all sizes of communities and chapters.

The Handbook focused not only on the organization's history, but on its future as well. It spelled out four Centennial objectives that were both realistic and challenging including the

relevance of the Red Cross' services to community needs; providing more opportunities for volunteers to assume greater leadership roles; a better public understanding of what the Red Cross is about and the development of financial resources to help counter the eroding impact of inflation and insure continuance and expansion of essential programs.

The Chapter Performance Review was designed to allow local chapters to identify both their successful programs and those which needed more attention to become successful.

The National headquarters established a number of special task force groups to aid their local affiliates in a number of special areas, including audiovisuals and broadcast materials which entailed the production of several films which will become available in 1981, and a slide series to motivate volunteers and get them involved with the Centennial celebration.

A special commemorative medal was produced for resale or as a form of reward for outstanding service and a dozen historical posters dating back as far as World War I, and painted by such famous artists as Norman Rockwell, James Montgomery Flagg and N.C. Wyeth, were made available for local exhibits. The originals were scheduled to be exhibited in Washington, D.C. during the actual birthday celebration in May, 1981.

A number of newspapers and national magazines had scheduled feature stories on the first century of service by the Red Cross and public service advertising for radio, TV and print, was all built around the Centennial theme, and made available to Red Cross Chapters.

During 1980, the Red Cross reported that it raised a total of $169.9 million.

The campaigns conducted in 1980 by about 200 Jewish Federations raised an estimated $505 million in the United States.

The United Jewish Appeal, the Jewish community's fund for overseas humanitarian aid, received an estimated $272 million of the total raised. In addition, $75 million was pledged to Project Renewal campaign of UJA. That money was spent primarily on programs in Israel and other countries to meet human needs.

Funds not allocated to UJA or other overseas agencies are used for education, health, social and vocational services and for programs that help enhance the quality of life for Jewish people in the United States.

Giving to ARTS & HUMANITIES

Americans contributed a record $2.96 billion to their cultural organiza-

tions and institutions during 1980, an increase of 9.6 percent from the $2.70 billion given the year before.

The American Association of Fund-Raising Counsel said the rise in voluntary support did not match the increased costs faced by the nation's theatres, orchestras, museums, public broadcasting facilities, operas and other forms of art and humanities.

The estimated total giving to the arts and humanities represented 6.2 percent of all philanthropy in the United States during 1980, the same as in 1979.

And while the private support for the nation's cultural activities is at an all-time high, it does not have a tranquilizing effect on those within the sector who at the beginning of 1981 faced substantive cuts in government support for their activities.

For many years, despite increasing attendance, rapidly rising costs have gnawed at the small—as well as large—cultural institutions and agencies and it was only a partnership of government, philanthropy, and prudent management that enabled many to survive in an inflation ridden economy.

With the cloud of a loss in government funding combined with still rising costs facing the cultural organizations, many with their backs to the wall are looking toward an increase in private donations as a measure of pure survival.

One thing is certain: Private support will increase—as it has each year for the past quarter-century. But it will not increase nearly enough to offset the loss of government support. Nor can an increase in earned income through higher admission fees make up for the anticipated loss.

Donations from the nation's business community, from its foundations and from individuals have increased dramatically.

The Business Committee for the Arts reported, for example, that its most recent survey of business support for arts organizations showed corporate contributions rising to $436 million in 1979, outpacing inflation and posting a 54 percent gain in constant dollars over the total in 1976.

But the study also found that nearly half the total support—48 percent of it—was given by the largest companies in the country, those with sales of more than $500 million annually.

The 970 companies in that category constituted only one percent of the total survey population of 82,043, and BCA said that suggested future efforts had to be directed toward interesting smaller and medium-sized companies in starting arts support programs.

The study disclosed optimism about the future—of course that was before the government cuts were even thought of.

When asked about plans for arts support in the next three years, 27 percent of the firms responding to the survey said they planned to increase contributions; three percent saw a decrease; plans to maintain their current levels of giving to the arts were reported by 58 percent and 12 percent had not yet decided what they would do.

The BCA said that museums received the largest single share of the corporate dollar donated to the arts—19 percent. But that was a decrease from the 22 percent they received three years earlier.

In the latest study, symphony orchestras received 12 percent of each corporate dollar donated, the same as

State Arts Agencies Legislative Appropriations

	Rank	Per Capita 1981 (¢)	1980 (¢)	Appropriations 1981 ($)	1980 ($)	Change (%)
ALABAMA	48	13.9	14.0	525,000	525,000	–0–
ALASKA	1	475.5	415.6	1,930,700*	1,674,708*	15.3
AM. SAMOA	2	241.2	152.7	75,000	47,500	57.9
ARIZONA	52	10.7	9.9	263,000	233,200	12.8
ARKANSAS	21	39.3	38.7	855,817	846,113	1.1
CALIFORNIA	17	45.0	32.9	10,205,087	7,338,420*	39.1
COLORADO	30	25.9	22.9	718,446	611,450*	17.5
CONNECTICUT	20	39.7	42.1	1,237,000	1,304,766*	–5.2
DELAWARE	28	27.68	20.7	161,100	120,800*	33.4
D.C.	7	90.4	52.9	592,900	356,400*	66.4
FLORIDA	34	23.8	27.7	2,106,500	2,377,710*	–11.4
GEORGIA	38	21.6	23.6	1,107,595	1,199,036*	–7.6
GUAM	12	71.2	65.4	81,000	74,400*	8.9
HAWAII	5	137.1	121.0	1,254,330	1,085,097*	15.6
IDAHO	49	13.4	9.2	121,200	80,700*	50.2
ILLINOIS	26	28.2	25.2	3,167,619	2,830,310*	11.9
INDIANA	36	23.6	23.7	1,272,939	1,275,656*	–.22
IOWA	53	10.5	10.8	305,150	312,769*	–2.4
KANSAS	47	14.5	11.1	342,769	261,426	31.1
KENTUCKY	25	30.7	24.5	1,084,500	856,600*	26.6
LOUISIANA	15	49.8	21.1	2,002,891	836,678*	239.4
MAINE	41	17.5	16.5	191,591	180,346*	6.2
MARYLAND	22	38.0	32.5	1,576,563	1,345,435*	17.2
MASSACHUSETTS	13	69.3	39.8	4,000,000	2,300,000	73.9
MICHIGAN	10	77.9	65.7	7,172,300	6,040,400	18.7
MINNESOTA	11	75.4	71.3	3,060,100	2,859,000*	7.0
MISSISSIPPI	43	15.6	12.8	380,062	306,885	23.8
MISSOURI	14	58.0	52.1	2,820,725	2,530,768*	11.5
MONTANA	54	9.7	9.3	76,628	73,388	4.4
NEBRASKA	29	27.5	25.5	432,749	399,493	8.3
NEVADA	50	12.5	13.1	87,702	86,730	1.1
NEW HAMPSHIRE	40	18.3	17.5	162,060	152,582*	6.2
NEW JERSEY	19	40.7	35.3	2,983,138	2,583,740*	15.5
NEW MEXICO	23	36.1	17.8	447,746	215,400*	207.9
NEW YORK	3	188.0	187.5	33,178,500	33,285,400	–.33
NORTH CAROLINA	32	25.0	24.7	1,401,876	4,379,341*	1.6
NORTH DAKOTA	44	15.3	15.4	100,594	100,594*	–0–
N. MARIANAS	56	–0–	–0–	–0–	–0–	–0–
OHIO	16	49.3	43.8	5,291,217	4,708,783	12.4
OKLAHOMA	31	25.1	15.7	724,948	452,158	60.3
OREGON	46	15.0	14.8	379,600	361,000	5.2
PENNSYLVANIA	33	24.0	21.6	2,821,000	2,537,000*	11.2
PUERTO RICO	4	178.0	125.2	5,976,200	4,205,000*	42.1
RHODE ISLAND	18	43.4	41.6	403,041	388,559*	3.7
SOUTH CAROLINA	24	34.9	32.2	1,023,145	941,046*	8.7
SOUTH DAKOTA	37	22.8	22.4	156,868	154,853	1.3
TENNESSEE	51	12.0	11.8	527,500	515,000*	2.4
TEXAS	55	9.2	9.3	1,224,808	1,215,198	0.8
UTAH	9	86.0	83.3	1,175,600	1,088,448	8.0
VERMONT	27	27.72	22.2	136,660	108,100*	26.4
VIRGIN ISLANDS	6	112.4	107.3	107,761	102,920*	4.7
VIRGINIA	35	23.7	24.4	1,230,000	1,255,095	–2.0
WASHINGTON	42	17.1	16.8	670,135	635,596*	5.4
WEST VIRGINIA	8	87.1	84.0	1,636,327	1,562,746	4.7
WISCONSIN	45	15.2	14.4	719,500	719,050*	.06
WYOMING	39	19.5	14.9	87,697	63,143	38.9
TOTAL				$111,775,084	$99,101,936	

*Appropriations and per capita figures for FY/80 updated to reflect changes due to supplemental appropriations or reductions in funds to the state arts agency since the completion of last year's survey.

NOTE: Michigan figure is Governor's request; legislature will act in December. The District of Columbia figure needs Congressional approval (December).

Source: American Council for the Arts

three years before; theatres, seven percent, also the same; art or cultural centers, 10 percent, up slightly from the nine percent three years before; and public broadcasting, 11 percent, down substantially from the 19 percent given three years earlier.

There was a shift in contributions to art exhibits which received five percent, compared with one percent three years before, and a drop in donations to cultural restorations from six percent to three percent.

Other categories remained for the most part the same as three years earlier.

An examination of the nation's institutional theatre companies conducted annually by the Theatre Communications Group showed that the economy took its toll in 1980.

TCG said the rate of growth of total income for the 147 nonprofit professional theatres included in its study dropped from a nearly 25 percent in 1979 to less than five percent in 1980.

Blaming the inflationary pressure on American families for the lack of gains in both income and attendance, TCG said the financial stability of the nonprofit theatre has been undermined and increased contributions from both private and public sources will be needed to maintain program and service levels.

The director of the group, Peter Zeisler, said the belief that federal support has increased while private support has declined is "simply not true."

The study pointed to a decline in federal support for the theatres of nearly 23 percent during 1980 and noted that Arts Endowment Funds constituted the same four percent of these theatres' total expenses in 1980 as was provided a decade ago.

There was an overall increase of 13 percent in contributions during 1980 but that was bad news, rather than good. In previous years, unearned income (contributions) had grown at an annual rate of approximately 20 percent, TCG said.

A substantial portion of the increase in unearned income came in the form of grants from state governments, while corporate and foundation gifts to the theatres in the study increased by an impressive 30 percent.

The American Symphony Orchestra League said that in 1980 revenue and support grew by nearly $19

Support for American Symphony Orchestras—1979-80 Season

Source of Support		Amount	% of Income
Revenue (Ticket Sales, Fees)		$113,549.0	48.2
Support, Government		31,849.6	13.5
Support, Private		67,860.2	28.8
Corporations	$16,122.8		6.8
Foundations	9,149.5		3.9
Fundraising Projects	10,268.2		4.4
United Arts Funds	7,763.8		3.3
Individuals, Other	24,555.9		10.4
Endowment & Investment Income		22,412.0	9.5
Total Revenue and Support		$235,670.8	100.0

Source: American Symphony Orchestra League-Research and Reference Department

Income Of Public Broadcasting Systems By Source: *(Dollars In Thousands)*

Income Sources	FY '75	FY '76†	FY '77†	FY '78†	FY '79†
Total Income	$364,791	$433,300	$482,094	$552,325	$603,466
Percent	100%	100%	100%	100%	100%
State & Local Tax	156,570	175,870	191,269	218,183	243,519
Percent Of Total	42.9	40.6	39.7	39.5	40.4
State Sources*	125,073	140,943	154,519	173,946	195,754
Local Sources	31,497	34,927	36,750	44,237	47,765
Federal Government	92,341	130,146††	135,269	160,762	163,229
Percent Of Total	25.3	30.0	28.1	29.1	27.0
Subscribers & Auction	42,346	54,356	63,704	75,216	86,682
Percent Of Total	11.6	12.6	13.2	13.6	14.4
Business & Industry	21,018	29,412	39,958	48,970	57,892
Percent Of Total	5.8	6.8	8.3	8.9	9.6
Foundation	28,688	23,003	22,627	17,213	20,402
Percent Of Total	7.8	5.3	4.7	3.1	3.4
All Other Sources	23,828	20,513	29,267	31,981	31,742
Percent Of Total	6.6	4.7	6.0	5.8	5.2
(Non-Federal Income)	($272,450)	($303,154)	($346,825)	($391,563)	($440,237)

*Includes income received from state colleges and universities.
†Includable non-broadcast income added.
††Includes the transition quarter appropriation ($17.5 million) to CPB.
Source: Corporation for Public Broadcasting

million over the previous year, an increase of 8.7 percent. But expenses of the orchestras increased by 9.2 percent in the same period.

An analysis of the data from the League showed that the biggest gainer—in terms of percentages—was endowment and investment income, which increased by 17.6 percent during the year.

Private support rose by 9.1 percent and represented 28.8 percent of all income.

Corporations gave more than $16 million to the orchestras in the League's survey, not including gifts to capital campaigns.

Foundations contributed $9 million and United Art funding accounted for almost $8 million.

The League said that more than $10 million was raised through special fund-raising projects and the mainstay of orchestra fund-raising activities—individual donors—contributed over $25 million. Individual contributions accounted for 10.4 percent of all income.

The orchestras received $31.8 million in government grants during the year, which represented 13.5 percent of income.

Revenue from ticket sales and fees totaled $113.5 million in 1980, the League said.

Public Broadcasting

Total income of public broadcasting increased last year to $603.5 million, a rise of 9.3 percent from the previous year. The non-federal portion of the total was $440.2 million, an increase of 12.4 percent over the previous year.

Income from state and local governments, as well as from state colleges, increased last year to 40.4 percent of the total, while gifts received from the business community and from indi-

viduals showed healthy gains.

Corporate contributions increased from $49.0 million in fiscal year 1978 to $57.9 million in fiscal 1979 and represented 9.6 percent of total income. The majority of corporate donations—$53.1 million—were given to public television, while radio received $4.8 million.

Income from individuals reached $86.7 million, and that represented 14.4 percent of the total income received. Roughly $75 million was given to public television, while radio received the remainder.

The Corporation for Public Broadcasting said that foundation gifts had increased to $20.4 million last year and represented 3.4 percent of the industry's total income.

Foundation contributions to public broadcasting had substantially decreased ever since the Ford Foundation drastically reduced its support of public television in the mid-1970s.

In 1975 foundation gifts accounted for 7.8 percent of all income for public broadcasting and it steadily dropped to 3.1 percent by 1978.

Last year, however, income from foundations increased in both actual dollars and as a portion of the industry's income, reaching 3.4 percent.

It appears that foundation grants to public broadcasting hit bottom in 1978 and began to show signs of increasing in 1979.

The Foundation Center reported grants of $149 million to the cultural category in 1980, compared with $147 million the year before. The grants are listed in the Center's Index and represent only gifts of $5,000 and more.

A table showing distribution of the grants can be found in the Foundation section of Giving USA.

The Institute of Museum Services, established by the Congress in 1976 to provide general operating support to the nation's 4,609 museums, recently concluded a survey which showed museums spend more than $1 billion annually for operations and programming.

Nearly half of the nation's museums (46 percent) have been established since 1960 and new museums are opening at the rate of 100 each year. During the five-year period of 1975-1979, museum attendance increased by 50 million visits, from 300 million in 1975 to 350 million in 1979.

Approximately 42 percent of museum income comes from admission fees, memberships, museum shop sales and fees for classes.

Individual contributors, foundation and corporate gifts account for 15 percent of total income of American museums, while 29 percent comes from state and local governments and 14 percent from the federal government.

Sixty percent of the federal support went directly to museums that are operated by the federal government.

Museums, like most other arts and humanities organizations will be hit hard by the administration's proposals to cut federal grants. The Institute of Museum Services, which is part of the Department of Education, faces a $12 million rescission of its $12.9 million appropriation for 1981 which, if approved by Congress, would leave the Institute with $1 million to administer fiscal year 1979 grants.

In addition the administration is planning to recommend a $2 million appropriation for the Institute in its 1982 budget. That would be used to terminate the Institute during FY 1982.

Large Gifts to Arts & Humanities—1980
Donor/Amount/Recipient

Virginia Steele Scott Foundation—$5 million (paintings valued at) to *Huntington Library and Art Gallery*

Andrew W. Mellon Educational & Charitable Trust—$5 million to *National Gallery of Art*

Sydney & Francis Lewis—$4 million to *Virginia Museum*

Katherine Ordway—$4 million (art) to *Yale University Art Gallery*

Atlantic Richfield Co.—$3 million to *County Museum of Art (Los Angeles)*

Paul Strand—$3 million (photographs) to *Philadelphia Museum of Art*

Mr. & Mrs. Paul Mellon—$2.227 million & artwork to *Virginia Museum*

Katherine Ordway—$2 million to *Yale University Art Gallery*

Andrew W. Mellon Foundation—$1.5 million to *Museum of Modern Art*

Andrew W. Mellon Foundation—$1.39 million to *Nebraskans for Public Television*

Kresge Foundation—$1 million to *Detroit Institute of Arts, Founders Society*

Moody Foundation—$1 million to *Galveston County Cultural Arts Council*

Giving to CIVIC & PUBLIC

Organizations involved with civic and public affairs received a total of $1.36 billion in charitable contributions during 1980, a new record.

The American Association of Fund-Raising Counsel said the total estimated giving to the institutions and agencies in the civic and public affairs category represented an increase of 9.6 percent from 1979's $1.24 billion.

As a portion of all philanthropy during the year, 1980's giving to civic and public affairs organizations represented 2.9 percent, about the same as a year ago.

Despite having the lowest percentage of all charitable giving in the United States, the gain registered by the civic and public affairs category was higher last year than that achieved by a number of other categories.

Much of the increase can be traced to heavy giving by the nation's foundations and business corporations, particularly in the areas of environment, conservation, equal rights and legal services.

The Foundation Center reported that an analysis of large grants—those of $5,000 or more—showed a total of $36.6 million given to organizations in the environmental and conservation category. As a portion of all large foundation gifts, the total represented 3 percent.

While for reporting purposes civic and public giving by foundations is listed under the welfare category, a breakdown disclosed that foundations gave $29.3 million in large gifts to organizations involved with equal rights and legal services.

That represented 2.5 percent of all grants of $5,000 and more reported by foundations to the Center.

An analysis of giving by corporations, as reported by The Conference

Board, shows that contributions to the civic and public affairs category increased by a dramatic 23.1 percent in the most recent study—from $79.0 million to $97.3 million.

As a portion of total contributions by the companies reporting in the survey, gifts to civic and public affairs remained about the same, 11.4 percent in 1978 versus 11.6 percent in the most recent study.

The Conference Board said the latest survey results showed that manufacturing companies gave 10.5 percent of all the contributions they made to civic and public affairs, while nonmanufacturers gave 14.5 percent of their contributions budget to organizations involved with civic and public affairs.

The most recent study of corporate contributions did not break down giving into subcategories, but previous surveys indicated that corporate gifts to community improvement agencies lead the list.

Housing and urban development, justice and law and environmental groups have traditionally received backing from both corporations and foundations, but like other philanthropic categories, their major source of support is individual gifts, which last year increased at a rate of nearly 10 percent.

But despite the rise, both the environmental groups and those concerned with legal services are experiencing troubled times, which for the most part are reflective of the nation's economic position.

Environmentalists are facing pressure to back off on some of their hard-won victories of years past because of concern over energy. Some take the attitude that if it were not for environmental standards and protection, the energy problems confronting the nation would be somewhat relieved. They say that what is needed is a "fair balance" between environmental requirements and the requirements for energy.

But the environmentalists, not about to lose by default what they have achieved over many years, believe that modern technology can protect both the environment and fill the need for energy.

Legal services, particularly agencies such as the Legal Aid Society, are facing greater demands, especially from those who are unemployed or who have limited incomes.

And while the demand created by a crumbling economy increases, the costs for the agencies increase, too. And the gain last year of 9.6 percent not only failed to meet the increase in the overall cost of living and delivering services, but surely did not permit the expansion of services to meet the demand.

Large Gifts to Civic & Public Affairs—1980

Donor/Amount/Recipient

Danforth Foundation—$7 million to *Webster Groves School District*

Ford Foundation—$4.75 million to *Local Initiatives Support Corporation (NYC)*

Helen C. Lincoln—$2 million to *Paradise Valley, Arizona*

Charles Stewart Mott Foundation—$1.5 million to *Resources for the Future (Endowment Fund)*

Standard Oil Co. of California—$1 million to *City of San Francisco*

VOLUNTEERS

No one knows how many Americans volunteer, how much time they donate, or which organizations they give the time to.

And while it is conceded that charitable organizations could not deliver program services to those who need them without volunteers, there probably is not one gift-supported organization in the nation that has sufficient volunteer help to raise the funds it needs each year.

The most recent in-depth study on volunteers was conducted by the Census Bureau in 1974 and it concluded that 37 million persons volunteer time and services each year.

Among other findings, that study showed that the rate of voluntarism increases with educational attainment. For instance, of those who had attended college, individuals with four years or more volunteered at a rate of 43 percent, while those with less than four years of college declined to 32 percent.

The same pattern holds true for secondary school education. Those with four years of high school education volunteered at a rate of 25 percent, while those with less than four years had a rate of 15 percent.

Of those employed, 25 percent were volunteers, while among the unemployed, 17 percent did volunteer work. Those employed in the public sector—either federal, state or municipal—volunteered more often than those in the private sector—33 percent for the publicly employed and 23 percent for the privately employed.

Of those not working, or not looking for work, 22 percent were volunteers.

More recent estimates of the number of volunteers—based for the most part on statistically accurate studies but expanded since they did not cover the detail of the Census report—show that more than 45 million Americans—or nearly one out of every five—volunteer for the more than 300,000 nonprofit institutions and agencies in the nation.

Those estimates also conclude that most of the volunteers engage in some form of fund raising.

An annual study of volunteers among 20 national agencies conducted by the American Association of Fund-Raising Counsel showed that conclusion to be correct.

The AAFRC's study found that in 1980 there were 16 million fund-raising volunteers out of a total volunteer force of 20.5 million for the agencies that reported.

The total number of volunteers was down by 265,000 from a year earlier,

Current Volunteer Strength of 20 National Agencies

Organizations	1980 Number of Volunteers	1980 Number of Fund-Raising Volunteers
United States Committee for UNICEF	3,000,000	3,000,000
American Heart Association	2,813,000	2,361,000
American Cancer Society, Inc.	2,463,265	2,189,015
United Cerebral Palsy Association, Inc.	2,025,000*	1,850,000*
Muscular Dystrophy Association, Inc.	1,945,800	1,550,200
The American National Red Cross	1,418,267	117,064
National Council—Boy Scouts of America	1,080,045	1,080,045
American Lung Association	1,000,000*	150,000*
National Multiple Sclerosis Society	1,000,000*	240,000*
National Easter Seal Society	800,000*	n/a
National Board of YMCA	757,727*	76,263*
Girl Scouts of the USA	530,000	n/a
The Salvation Army	496,864	n/a
The Arthritis Foundation	386,000	343,000
The National Foundation	250,000	3,000,000*
National Association for Retarded Citizens	230,000	15,000
National Board, YWCA of the USA	141,000	3,500*
Camp Fire, Inc.	105,000	15,000*
Boys' Club of America	104,000	70,000
USO (United Service Organizations, Inc.)	40,000	500
Totals	20,585,968	16,060,387

*Estimated

but the number of fund-raising volunteers increased by 341,000.

While volunteers are essential to the success of an organization's fund-raising efforts, they are also essential to program and to the administrative work of the nation's charitable groups.

And in the course of gathering material for a status report on volunteering in America, Volunteer: The National Center for Citizen Involvement, found some unique programs:

• Long Island's Northshore University Hospital, home for one of six human milk banks throughout the country, had more than 500 women register as volunteer donors of milk for newborns who require human milk but whose mothers are unable to provide it.

• AirLifeLine is an organization of pilots who fly as a hobby and provide free airfield-to-airfield transportation service in medical emergencies. Chapters are being developed in 18 states.

• In Chicago volunteers annually staff the Yule Connection, a hotline for those who have special problems during the holiday season. Last year more than 2,000 volunteers handled calls from those who were alone, felt isolated or had special needs for food and shelter.

• The St. Bernard Parish, Louisiana, Deputy Corps includes 120 citizens who volunteer to assist the sheriff's office for duties ranging from front-line patrols who answer calls to controlling crowds at parades and high school sporting events.

• In Los Angeles, a shortage of paid clerks was hampering the police department's ability to maintain current information. Retired officers and

civilians volunteered to work as file clerks.

• Also in Los Angeles, organizers of the 1984 Summer Olympics are planning to involve as many as 10,000 volunteers as a means of holding down costs and to help build community spirit. Volunteers will constitute nearly 80 percent of the total Olympics staff.

The roles filled by volunteers should become even more evident as two studies reach conclusion. One, conducted by the Gallup Organization for the INDEPENDENT SECTOR, should become available in June, 1981 and another, which will be an update of the 1974 Census Bureau study, is being planned by Volunteer: The National Center for Citizen Involvement and the Census Bureau.

PHILANTHROPY IN 1982— AN ALTERED STATE?

A year ago, in Giving USA's 25th anniversary edition, this observer said, "The promise for the '80s (for philanthropy) is high indeed." In the brief 12 months since that statement was written, enough dramatic events have occurred to force a new and hard appraisal of the climate for philanthropy over the next few years.

Foremost are the economy and its effect on the nation's charitable organizations. President Reagan characterized our economic ills as "the worst mess since the great depression." Whether or not this is true, 12.4 percent inflation against a 10.2 percent increase in giving in 1980 represents yet another year of backtracking for charities.

Our nonprofit institutions and agencies must deal with this lost ground in painful ways, curtailing some programs while eliminating others—especially those filling less urgent needs or duplicating the efforts of others—staff cutting and administrative belt tightening; all measures that some would say will improve the efficiency of management. But what about the costs in terms of human services? The situation is exacerbated by relentlessly increasing demands of society.

The intense interest given to the economy is outdone only by the attention given to the Reagan Administration's solutions to the problems.

With Office of Management and Budget Director David A. Stockman leading the fray, the administration has proposed substantial cuts in federal spending (nearly $50 billion in fiscal 1982 climbing up to $100 billion in fiscal year 1984). This will deprive all philanthropic efforts of billions of dollars that are now being used in partnership between government and the private sector for the humanities, education, health, emerging causes, social welfare, the arts, civic projects and overseas aid and community development.

A preliminary estimate of the cost to charities of these cuts is $18 billion, from 1982 to 1984. This represents a total that *cannot* and *will not* be made up by private philanthropy. The best we can hope is that philanthropy will increase its capacity enough to narrow the gap somewhat.

Let's take a look at the philanthropic sources and examine the potential for growth.

First, foundations: For three years now, total foundation giving was less than gifts from corporations. But it's

no wonder—since assets of foundations are steadily diminishing.

A Council on Foundations survey of 800 foundations showed that from 1977 to 1979 their total assets value diminished by 13 percent. Foundations are still required to pay out all the interest they earn each year (or 5 percent of assets, whichever is larger). This requirement makes it impossible for foundations to invest capital in a way to preserve even the current status. Two bills, H.R. 1364 in the House, co-sponsored by Barber Conable (R-NY) and 11 Congressmen, and S. 464 in the Senate, co-sponsored by Daniel P. Moynihan (D-NY) and David Durenberger (R-Minn.), are now being considered by the 97th Congress. They will hold the payout to 5 percent and allow foundations to plow back into assets all interest above 5 percent. While this won't solve the problems of foundations' eroding assets, it surely will go a long way toward improving them.

Second, corporations: The impact of business philanthropy is growing and represents real progress. Today, however, corporate giving only accounts for 5.3 percent of all philanthropy and this is 1.05 percent of total corporate profit before taxes. Five percent clubs have sprung up in Minneapolis and Louisville and 2 percent clubs are now being launched in Seattle and Kansas City—an encouraging trend.

More and more major companies are establishing departments of corporate social responsibility and encouraging executives to become more greatly involved with charities.

But the growth of corporate giving in 1980, because of low profits, is only 4 percent—and even if this were a healthy 15 percent, it would only provide an additional $380 million a year—a drop in the bucket.

Third, individuals: Since Americans account for 89.7 percent of all philanthropy (83.7 percent from living individuals and 6 percent from bequests), this source deserves special attention and represents the greatest potential for growth. Thanks to the 1979 CONVO survey which found that people who itemize deductions give three times as much as others at the same income level who take the standard deduction, we know tax incentives are a critical factor in increasing giving.

The Gephardt-Conable Bill (H.R. 501) and its companion Bill, S. 170 introduced by Senators Packwood and Moynihan, will allow all taxpayers to deduct their gifts to charity above the line whether or not they take the standard deduction. In 1979 dollars, Harvard Professor of Economics Martin Feldstein reported these bills would provide an estimated $5.7 billion to philanthropy. What a wonderful difference that would make!

But the news isn't all bad. There are some encouraging developments on the regulating front—a National Center for Charitable Statistics has been established under the aegis of the National Information Bureau. This program has brought together for discussion and debate such diverse interests as state regulators, representatives from IRS, and Treasury, accountants, tax lawyers, foundation and corporate donors, and representatives of national charities. Already they have found to their surprise that agreement is possible on many important issues and problem solutions.

For example, agreement has been reached on the line items required in state reports by New York, Connecticut, California, Illinois, New Jersey,

North Carolina and Minnesota. Because of this, IRS is currently redrafting form 990 (which must be filed by every charity except religious organizations) to conform to the new state form. Hence, in the foreseeable future, charities may be able to file a single form which will be accepted by the federal government and the key states.

The Center currently has reports of 5,400 charities in New York State on computer; tapes from Illinois and California will be computerized shortly. Thus charitable statistics never before available will be correlated and disseminated to donors, regulators and donees—and that is bound to result in more efficient management and better understanding of how philanthropic organizations must operate in these troubled times.

Another positive development is the formidable track record during the first year of the INDEPENDENT SECTOR.

More than 260 national nonprofit institutions and agencies, corporations, and foundations, are now members. The programs of improving the understanding of the role of the private sector, broadening communications, research and government relations are all moving forward in positive ways only made possible when top leadership is involved and combines with the influence of a prestigious national effort.

The INDEPENDENT SECTOR's beginning efforts are noteworthy. It rallied key national organizations to file an Amicus Brief which had a decided influence on the Supreme Court's Schaumburg Decision which makes it illegal for a government, federal, state, or municipal, to restrict a charity from soliciting funds only because its fund-raising costs are high. As IS Chairman, John Gardner stated in a letter to the editor of the New York Times, "Unfortunately, it is often the emerging or unpopular organizations, which have to spend a lot (relative to the amount taken in) to garner enough funds to pursue their causes. Although the public has a right to know what the costs are, the government should not have the authority to prohibit those organizations from presenting their case to the public in the first place."

Further, INDEPENDENT SECTOR has established a nationwide network to present philanthropy's case to the home ground of key legislators. This resulted in enlisting 255 co-sponsors in the House and 43 in the Senate for the charitable contributions legislation (Gephardt-Conable Bill) during the 96th Congress. Of equal importance the INDEPENDENT SECTOR is providing a meeting ground where the interests and concerns of its diverse membership can be discussed and debated and action steps can be developed.

What should be done about all this so that nonprofit agencies can weather the storm, and not lose their effectiveness? Can't these problems be turned into challenges and help all to gain?

Perhaps the philanthropic community should consider the following:

1. Tailor your services to fit needs and resources—and hone them up. Make certain that your efforts are concentrated on the important, most cogent aspect of your programs. Take lessons from industry and make your management as efficient as possible.
2. Tell your story well and often. Let

your constituencies know what you are doing without making the common mistake of taking their understanding for granted.

3. Carefully program your most precious commodity—volunteers. Without their attention and help, programs and fund raising both will suffer.
4. Take fund raising seriously—no longer can you count on government funding to close the gap.
5. Participate in lobbying for constructive public policies. Working through your umbrella groups or the INDEPENDENT SECTOR, speak out in favor of bills that will guarantee more funds for philanthropies such as:

   H.R. 1364 sponsored by 12 cosponsors including Ways and Means Committee ranking member Barber Conable (R-NY) and S.464, in the Senate Finance Committee and sponsored by Senators Daniel Patrick Moynihan (D-NY) and David Durenberger (R-Minn) to permit foundations to reinvest interest earnings in excess of 5 percent.

   H.R. 501 introduced in the House of Representatives by Congressman Richard A. Gephardt (D-Mass) and Barber S. Conable (R-NY) and S.107 by Senators Daniel Patrick Moynihan (D-NY) and Bob Packwood (R-OR)—the charitable contributions legislation which will allow all taxpayers to deduct contributions above the line.

John J. Schwartz

President, American Association of Fund-Raising Counsel

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2. While the Association does not prescribe any particular method of calculating fees for its members, the Organization should base its fees on services provided and avoid contracts providing for contingency, commissions or a percentage of funds raised for the client.

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